



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS PERSONAL PROPERTY OFF PREMISES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Business Personal Property Off Premises

1. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to such property caused by or resulting from a Covered Cause of Loss while:
 - a. In the course of transit, more than 1,000 feet from the described premises;
 - b. Temporarily away from the described premises and:
 - (1) At a premises you do not own, lease or operate; or
 - (2) At any fair, trade show or exhibition at a premises you do not own or regularly occupy.

2. This Coverage Extension does not apply to property:
 - a. While in the custody of the United States Postal Service;
 - b. Rented or leased to others;
 - c. After delivery to customers;
 - d. Temporarily at a premises for more than 60 consecutive days, except "money" and "securities" at a "banking premises";
 - e. Otherwise covered under the Fine Arts Additional Coverage; or
 - f. Otherwise covered under the following Coverage Extensions:
 - (1) Accounts Receivable;
 - (2) Electronic Data Processing;
 - (3) Personal Effects; or
 - (4) Valuable Papers and Records.

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CIVIL AUTHORITY

This endorsement modifies insurance provided under the following:

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Civil Authority

1. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur caused by action of civil authority that

prohibits access to the described premises. The civil authority action must be due to direct physical loss of or damage to property at locations, other than described premises, caused by or resulting from a Covered Cause of Loss.

2. The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of four consecutive weeks after coverage begins.
3. The coverage for Extra Expense will begin immediately after the time of that action and will end when your Business Income coverages ends for this Coverage Extension.



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**ELECTRONIC DATA PROCESSING EQUIPMENT AND ELECTRONIC
MEDIA AND DATA
(EDP COVERAGE FORM)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6. Coverage Extension**:

Electronic Data Processing

1. When a Limit of Insurance is shown in the Declarations for Electronic Data Processing at the described premises, that insurance applies to:
 - a. Direct physical loss of or damage to your "electronic data processing equipment" caused by or resulting from a Covered Cause of Loss; and
 - b. Direct physical loss of or damage to your "electronic media and data" caused by or resulting from a Covered Cause of Loss.
2. Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in Paragraph **F.8.b** does not apply to this Coverage Extension.
3. This Coverage Extension does not apply to:
 - a. "Stock"; or
 - b. Property that is leased or rented to others.
4. The following exclusions as described in Section **B.**, Exclusions, of the Businessowners Special Property Coverage Form do not apply to the Insuring Agreement set forth in Paragraph **1.a.** or **1.b.** of this Coverage Extension:
 - a. Paragraph **1.e.**; and
 - b. Paragraph **1.g.(3)**; and
 - c. Paragraph **2.a.**

The following exclusion as described in Section **B.**, Exclusions, of the Businessowners Special Property Coverage Form does not apply to the Insuring Agreement set forth in Paragraph **1.a.** of this Coverage Extension: **Paragraph 2.d.(6).**

5. The following additional exclusions apply:

With respect to this Coverage Extension, we will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Programming errors or omissions, or incorrect instructions to a machine, including without limitation, incorrect instructions to "electronic data processing equipment" from a user incorrectly operating with, or committing an error using an input device (including, without limitation, a keyboard, mouse or touchpad) and corrupting, distorting, deleting, damaging or destroying "electronic data"; provided, however, that this exclusion shall not apply to an otherwise covered mechanical breakdown of "electronic data processing equipment" under the Insuring Agreement set forth in Paragraph **1.a.** of this Coverage Extension.
- b. Unauthorized viewing, copying or use of "Electronic Media and Data" or "Electronic Data" (or any proprietary or confidential information or intellectual property) by any person, even if such activity is characterized as "theft."
- c. Errors or deficiency in design, installation, maintenance, repair or modification of your "electronic data processing equipment," "electronic media and data" or "electronic data" or any "electronic data processing equipment," electronic devices, computer system or network to which your "electronic data processing equipment" "electronic media and data" or "electronic data" is connected or dependent; provided, however, that this exclusion shall not apply to an otherwise covered mechanical breakdown of "electronic data processing equipment" under the Insuring Agreement set forth in Paragraph **1.a.** of this Coverage Extension.

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- d. Unexplained or indeterminable failure, malfunction or slowdown of a "electronic data processing equipment" "electronic media and data" or "electronic data."
- 6. The most we will pay under this Coverage Extension for all direct physical loss of or damage to "electronic data processing equipment" and "electronic media and data" (combined) in any one occurrence while in transit or at a premises other than the described premises is \$25,000, or the limit shown in the Declarations.
- 7. The most we will pay under this Coverage Extension for loss of or damage to "Electronic Media and Data" while stored at a separate premises from where your original "Electronic Media and Data" are kept, in any one occurrence, is \$25,000.
- 8. The most we will pay under this Coverage Extension for all direct physical loss or damage to "electronic data processing equipment" and "electronic media and data" (combined) you acquire after the inception date of the policy in any one occurrence is \$25,000.

Provided, however, with respect to insurance coverage under this Coverage Extension on any such newly acquired "electronic data processing

equipment" or "electronic media and data," coverage will end on the date and time that any of the following first occurs:

- a. This policy expires;
- b. 180 days after you acquire the "electronic data processing equipment" or "electronic media and data"; or
- c. You report values to us.
- 9. The most we will pay under this Coverage Extension for all direct physical loss of or damage to "electronic data processing equipment" and "electronic media and data" (combined) at the described premises in any one occurrence is the Limit of Insurance shown in the Declarations or \$50,000, whichever is greater.
- 10. A separate Blanket Limit of Insurance applies to "electronic data processing equipment" and "electronic media and data" at all scheduled premises, if indicated in the declarations as Blanket Electronic Data Processing
- 11. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.



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EQUIPMENT BREAKDOWN

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension are subject to and not in addition to the applicable Limits of Insurance.

Equipment Breakdown

1. When a Limit of Insurance is shown in the Declarations for Equipment Breakdown, at the described premises, the limit applies to direct physical loss of or damage to Covered Property at the described premises caused by or resulting from a "breakdown" to "covered equipment."

For the purposes of this coverage form, "covered equipment" includes, but is not limited to, the following:

- a. "Diagnostic Equipment";
- b. "Power Generating Equipment";
- c. "Production Equipment."

With respect to otherwise covered Business Income and Extra Expense, "breakdown" to "covered equipment" will be considered a Covered Cause of Loss.

If an initial "breakdown" causes other "breakdowns," all will be considered one "breakdown." All "breakdowns" that manifest themselves at the same time and are the result of the same cause will also be considered one "breakdown."

2. Under this Coverage Extension, the following coverages also apply:

- a. Expediting Expenses

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment," we will pay for the reasonable additional expenses you necessarily incur to make temporary repairs to, or expedite the permanent repair or replacement of, the lost or damaged Covered Property.
- (2) Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation.
- (3) The most we will pay under this Coverage Extension for all Expediting Expenses arising out of any one "breakdown" is \$25,000. This limit is part of and not in addition to the Limit of Insurance that applies to lost or damage Covered Property.

- b. "Pollutants"

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a "breakdown" to "covered equipment," we will pay for the additional cost to repair or replace Covered Property because of contamination by "pollutants." This includes the additional expenses to clean up or dispose of such property. Additional costs mean those beyond what would have been required had no "pollutants" been involved.
- (2) The most we will pay under this Coverage Extension for loss or damage to Covered Property caused by contamination by "pollutants" arising out of any one "breakdown" is \$25,000. This limit is subject to and not in addition to the Limit of Insurance that applies to lost or damaged Covered Property.

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c. Service Interruption

When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to loss caused by or resulting from a "breakdown" to equipment that is owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides the following utility services:

- (1) "Water Supply Services";
- (2) "Communication Supply Services"; or
- (3) "Power Supply Services."

d. Data Restoration

We will pay for your cost to research, replace and restore "electronic data" and "electronic media and data" that is lost as a result due to a "breakdown" to "Covered Equipment." The most we will pay for loss or expenses under this coverage is \$100,000 or the limit shown in the Declarations for Equipment Breakdown Coverage at the described premises, whichever is less.

The limit provided for the Data Restoration Coverage is a part of, and does not increase the Limit of Insurance for Equipment Breakdown Coverage.

3. We will not pay under this Coverage Extension for loss or damage caused by or resulting from any of the following tests:
 - a. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - b. An insulation breakdown test of any type of electrical equipment.
4. We will not pay under this Coverage Extension for loss or damage caused by or resulting from a change in:
 - a. Temperature; or
 - b. Humidity;
 as a consequence of "breakdown" to "covered equipment."
5. The following limitations in Paragraph A.4. do not apply to this Coverage Extension:
 - a. Paragraph a.(2); and
 - b. Paragraph a.(3).
6. The following exclusions in Paragraph B. Exclusions do not apply to this Coverage Extension:
 - a. Paragraph 2.a.;
 - b. Paragraph 2.d.(6); and
 - c. Paragraph 2.e.
7. With respect to this Coverage Extension, the following condition is added to Paragraph F. Commercial Property Conditions:

Suspension

If any "covered equipment" is found to be in or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this Coverage Form for loss or damage caused by or resulting from a "breakdown" to that "covered equipment." This can be done by delivering or mailing a notice of suspension to:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment." But the suspension will be effective even if we have not yet made or offered a refund.

8. The following Loss Payment Condition is added under **E.4.e. Loss Payment Building and Personal Property** of the Businessowners Special Property Coverage Form:

(19) "Covered Equipment" as follows:

If Equipment Breakdown Property requires replacement due to an Equipment Breakdown, we will pay your additional cost to replace it with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than 125% of what the cost would have been to repair or replace with property of comparable material and quality. This coverage does not increase any of the applicable limits. This coverage does not apply to any property indicated as being valued on an Actual Cash Value basis.

If you wish to retrofit air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances to accept a non-CFC refrigerant, we will consider this better for the environment. Any associated Business Income or Extra Expense will be included, in determining the additional cost, if Business Income and Extra Expense apply to this policy.

All other terms and conditions of the Policy remain unchanged.

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MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions:

Unless otherwise stated, payments made under this Coverage Extension are subject to and not in addition to the applicable Limits of Insurance.

When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to loss due to the good faith acceptance of:

1. Any U.S. or Canadian post office or express money order, issued or claiming to have been issued by any post office or express company, if the money order is not paid upon presentation; or
2. Counterfeit United States or Canadian paper currency.

in exchange for merchandise, "money" or services or as part of a normal business transaction.



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NON-OWNED DETACHED TRAILERS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

1. When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises you may extend the insurance that applies to your Business Personal Property to apply to loss or damage to trailers or semi-trailers that you do not own, provided that:
 - a. The trailer is used in your business;
 - b. The trailer is in your care, custody or control at the premises described in the Declarations; and
 - c. You have a contractual responsibility to pay for loss or damage to the trailer.
2. We will not pay for any loss or damage that occurs:
 - a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - b. During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
3. The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$5,000 regardless of the number of described premises, trailers or semi-trailers involved.
4. This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ORDINANCE OR LAW – INCREASED PERIOD OF RESTORATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph A.6. Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Ordinance or Law – Increased Period of Restoration

1. When:

- a. A Covered Cause of Loss occurs to property at the described premises; and
- b. The Declarations shown that you have coverage for Business Income and Extra Expense;

you may extend that insurance to apply to the amount of actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur during the increased period of "suspension" of "operations" caused by or resulting from the enforcement of any ordinance or law that:

- (1) Regulates the construction, repair or replacement of any property;
- (2) Requires the tearing down or replacement of any parts of property not damaged by a Covered Cause of Loss; and
- (3) Is in force at the time of loss.

- 2. This Coverage Extension applies only to the period that would be required, with reasonable speed, to reconstruct, repair or replace the property to comply with the minimum requirements of the ordinance or law.
- 3. This Coverage Extension does not apply to:
 - a. Loss due to an ordinance or law that:
 - (1) You were required to comply with before the loss, even if the property was undamaged; and
 - (2) You failed to comply with; or
 - b. Costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants."
- 4. Paragraph B.1.a., does not apply to this Coverage Extension.
- 5. The most we will pay for loss under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
- 6. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
OUTDOOR PROPERTY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Outdoor Property

1. When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical

loss of or damage to the following types of outdoor property at that described premises caused by or resulting from a Covered Cause of Loss:

- a. Radio or television antennas (including microwave or satellite dishes) and their lead in wiring, masts or towers; or
 - b. Bridges, walks, roadways, patios and other paved surfaces.
2. The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PERSONAL EFFECTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Personal Effects

1. When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to personal effects owned by:

a. You; or

- b. Your officers, partners, "members", "managers", "employees", directors or trustees;

caused by or resulting from a Covered Cause of Loss.

2. Such property must be located at a described premises.
3. The most we will pay for loss or damage under this Coverage Extension in any one occurrence is \$25,000 at each described premises.
4. Payments under this Coverage Extension are in addition to the applicable Limits of Insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SIGNS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

Subject to the Exclusions, Conditions and Limitations of this policy, you may extend this insurance as indicated below.

Your Building or Business Personal Property insurance is extended to cover outdoor signs attached to the building or on or within 1,000 feet of the described premises.

Unless otherwise stated, payments made under the following coverage will not increase the applicable Limits of Insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPOILAGE – CONSEQUENTIAL LOSS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6. Coverage Extensions**.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Spoilage – Consequential Loss

1. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to consequential loss to your Business Personal Property caused by a change in:

- a. Temperature; or
- b. Humidity;

caused by or resulting from a Covered Cause of loss to any of the following types of equipment

situated within the building at the described premises:

- a. Refrigerating;
 - b. Cooling;
 - c. Humidifying;
 - d. Air conditioning;
 - e. Heating;
 - f. Generating or converting power; or
 - g. Connections, supply or transmission lines and pipes associated with the above equipment.
2. With respect to this Coverage Extension, "breakdown" to "covered equipment" will not be considered a Covered Cause of Loss, even if otherwise covered elsewhere in this Policy.
 3. Paragraphs **B.2.d.(7)(a)** and **B.2.d.(7)(b)** do not apply to this Coverage Extension.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THEFT DAMAGE TO RENTED PROPERTY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Theft Damage to Rented Property

1. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, you may extend that insurance to apply to direct physical loss of or damage to the following caused by or resulting by "theft" or attempted "theft":
 - a. That part of a building you occupy, but do not own, which contains Covered Property; and

- b. Property within such non-owned building used for maintenance or service of such non-owned building.
2. We will not pay under this Coverage Extension for loss or damage:
 - a. Caused by or resulting from fire or explosion; or
 - b. To glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.
3. This Coverage Extension applies only if you are a tenant and you are contractually obligated to insure this exposure.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VALUABLE PAPERS AND RECORDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Valuable Papers and Records

1. When a Limit of Insurance is shown in the Declarations for Building or Business Personal Property at the described premises, you may extend that insurance to apply to loss, as described in Paragraph **2.** below, due to direct physical loss of or damage to "valuable papers and records" that:
 - a. You own; or
 - b. Are owned by others, but in your care, custody or control;
 caused by or resulting from a Covered Cause of loss.
2. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
3. The following exclusions apply to this Coverage Extension:
 - a. We will not pay for any loss or damage to "valuable papers and records" caused by or resulting from any errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the resulting loss or damage caused by that fire or explosion.

- b. Paragraph **B.1.b.** Earth Movement;
- c. Paragraph **B.1.c.** Governmental Action;
- d. Paragraph **B.1.d.** Nuclear Hazard;
- e. Paragraph **B.1.f.** War and Military Action;
- f. Paragraph **B.1.g. (1), (2) and (4)** Water;
- g. Paragraph **B.1.h.** Neglect;
- h. Paragraph **B.2.g.** Frozen plumbing.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Coverage Form, such exclusions will apply to this Coverage Extension.

4. The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence while in transit or at a premises other than the described premises is \$25,000.
5. The most we will pay under this Coverage Extension for loss of or damage to "valuable papers and records" in any one occurrence at each described premises is \$25,000 or the amount shown in the Declarations for Valuable Papers and Records, whichever is greater.
6. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEWER OR DRAIN BACK UP

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
CONCURRENT CAUSATION, EARTH MOVEMENT & WATER EXCLUSION CHANGES

The following coverage is added to your Businessowners Special Property Coverage Form:

Unless otherwise stated, payments made under the following coverage will not increase the applicable Limits of Insurance.

Subject to the Exclusions, Conditions and Limitations of this policy, you may extend this insurance as indicated below.

1. We will pay for loss or damage to covered property caused by water that backs up or overflows from a sewer, drain, sump, or from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area, subject to the following limitations:
 - a. We will not pay for loss or damage under this Additional Coverage caused by the emanation of water from a sewer or drain, sump, sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area, that itself caused by, or is the result of:

(i) "Flood," surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(ii) Mudslide or mudflow.

- b. The most we will pay for direct physical damage is the limit of insurance shown in the Declarations for Sewer or Drain Back Up.
2. With respect to otherwise covered Business Income and Extra Expense, loss or damage to covered property caused by water that backs up or overflows from a sewer, drain, sump, or from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area, will be considered a Covered Cause of Loss.
3. Exclusion **B.1.g. (3)** of the Businessowners Special Property Coverage Form does not apply to this Additional Coverage.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
 BUSINESSOWNERS COMMON POLICY CONDITIONS

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific limit is shown:

COVERAGE	LIMIT
Hired Auto Liability:	\$ _____
Non-owned Auto Liability:	\$ _____

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

PROVISIONS

A. COVERAGE

With respect only to the Coverage(s) for which a limit is shown in the SCHEDULE above, the insurance provided under **Coverage A.1. Business Liability** for "bodily injury" and "property damage" also applies to "bodily injury" or "property damage" arising out of the maintenance or use of a:

- "Hired auto" used by you or your "employee" in the course of your business; and/or
- "Non-owned auto" used in the course of your business. Maintenance or use of a "non-owned auto" includes test driving in connection with an "auto business."

With respect only to the coverage provided by this endorsement, under **Coverages**, coverage **A.1. Business Liability** is amended to:

1. Delete paragraph **A.1.b.(1)(b)** and replace it with the following:
 - b. This insurance applies:
 - (1) To "bodily injury" and "property damage" only if:
 - (b) The "occurrence" occurs during the policy period; and
2. Delete paragraph **A.1.b.(2)**.

B. LIMITS OF INSURANCE

With respect only to the coverage provided by this endorsement, **SECTION D. Liability And Medical Expenses Limits of Insurance** is deleted in its entirety and replaced with the following:

D. Limits Of Insurance

1. Regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought;
 - c. Persons or organizations making claims or bringing "suits"; or
 - d. "Autos,"

the applicable Hired Auto Liability limit or Non-Owned Auto Liability limit shown in the Declarations is the most we will pay for damages under **SECTION A. Coverages** because of all "bodily injury" and "property damage" resulting from any one "occurrence" arising out of the maintenance or use of a "hired auto" or "non-owned auto."



C. EXCLUSIONS

With respect only to the insurance provided by this endorsement:

1. Under **Exclusions**, the paragraph entitled **Applicable to Business Liability Coverage** is amended to delete all exclusions except exclusions **a.**, **b.**, **d.**, **e.**, **f.** and **i.** and to add the following exclusions:

This insurance does not apply to:

- **Fellow Employee**

"Bodily injury" to:

- (1) Any fellow "employee" of the insured arising out of and in the course of employment by the insured or while performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that fellow "employee" while as a consequence of Paragraph (1) above.

- **Care, Custody or Control**

"Property Damage" to:

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured.

D. WHO IS AN INSURED

With respect only to the insurance provided by this endorsement, **Who Is An Insured** is replaced by the following:

Each of the following is an insured under this insurance to the extent set forth below:

1. You;
2. Subject to paragraph 3.c. below, your "employee" while operating an "auto" hired or rented under a contract or agreement, with your permission, in that "employee's" name, while performing duties related to the conduct of your business.
3. Anyone else including any partner or "executive officer" of yours while using with your permission a "hired auto" or a "non-owned auto" except:
 - a. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner or lessee of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
 - b. Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household;
 - c. Your "employee" if the covered "auto" is leased, hired or rented by him or her or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - d. Any partner or "executive officer" with respect to any "auto" owned by such partner or officer or a member of his or her household;
 - e. Any partner or "executive officer" with respect to any "auto" leased or rented to such partner or officer or a member of his or her household under a lease or rental agreement for a period of 180 days or more;
 - f. Any person while employed in or otherwise engaged in duties in connection with an "auto business," other than an "auto business" you operate;
 - g. Anyone other than your "employees," partners, a lessee or borrower or any of their "employees," while moving property to or from a "hired auto" or a "non-owned auto"; or
4. Any other person or organization, but only with respect to their liability because of acts or omissions of an insured under 1., 2. or 3. above.

E. AMENDED DEFINITION

The Definition of "insured contract" in Section **F** – Definitions is amended by the addition of the following exceptions to paragraph **f.**:

SB146902G (Ed. 6-16)

Page 2 of 3





Paragraph **f.** does not include that part of any contract or agreement:

- That pertains to the loan, lease or rental of an "auto" to you or any of your "employees," if the "auto" is loaned, leased or rented with a driver; or
- That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

F. ADDITIONAL DEFINITIONS

Section **F.** Definitions is amended by the addition of the following definitions:

- a. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos."
- b. "Hired auto" means any "auto" you or your "employee" lease, hire, rent or borrow in the course of your business. This does not include:
 - i. Any "auto" you lease, hire or rent under a lease or rental agreement for a period of 180 days or more, or
 - ii. Any "auto" you lease, hire, rent or borrow from any of your "employees," partners, stockholders, or members of their households.
- c. "Non-owned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business at the time of the "occurrence." This includes "autos" owned by your "employees" or partners or members of their households but only while being used in the course and scope of your business at the time of the "occurrence."

If you are a sole proprietor, "non-owned auto" means any "autos" you do not own, lease, hire, rent or borrow that are being used in the course and scope of your business or personal affairs at the time of the "occurrence."

- G. With respect only to the operation of a "hired auto" or "non-owned auto," **Paragraph H**, of the Businessowners Common Policy Conditions is deleted and replaced with the following:

H. Other Insurance

1. Except for any liability assumed under an "insured contract" the insurance provided by this Coverage Form is excess over any other collectible insurance.

However, if your business is the selling, servicing, repairing, parking or storage of "autos," the insurance provided by this endorsement is primary when covered "bodily injury" or "property damage" arises out of the operation of a customer's "auto" by you or your "employee."
2. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

All other terms and conditions of the Policy remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARIZONA CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS COMMON POLICY CONDITIONS

A. The Businessowners Special Property Coverage Form is amended as follows:

1. Paragraph **A.5. Fire Department Service Charge** Additional Coverage does not apply.
2. The following exclusion and related provisions are added to Paragraph **B.2. Exclusions**:

- r. We will not pay for loss or damage arising out of any act committed:

- (1) By or at the direction of any insured; and
- (2) With the intent to cause a loss.

- s. However, this exclusion will not apply to deny an insured's claim for an otherwise covered property loss under this Policy if such loss is caused by an act of domestic violence by another insured under this Policy and the insured making claim:

- a. Did not cooperate in or contribute to the creation of the loss; and
- b. Cooperates in any investigation relating to the loss.

We may apply reasonable standards of proof for such claims.

- t. If we pay a claim pursuant to Paragraph **2.b.** of this endorsement, our payment to the insured is limited to that insured's insurable interest in the property as reduced by any payments we first made to a mortgagee or other party with a secured interest in the property. In no event will we pay more than the Limit of Insurance.

3. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select a competent and impartial umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the

umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

B. The Businessowners Common Policy Conditions are amended as follows:

1. The following is added to Paragraph **A. Cancellation**:

7. Cancellation Of Policies In Effect For 60 Days Or More

If this Policy has been in effect for 60 days or more, or if this Policy is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Your conviction of a crime arising out of acts increasing the hazard insured against;
- c. Acts or omissions by you or your representative constituting fraud or material misrepresentation in the procurement of this Policy, in continuing this Policy or in presenting a claim under this Policy;
- d. Substantial change in the risk assumed, except to the extent that we should have reasonably foreseen the change or contemplated the risk in writing the contract;
- e. Substantial breach of contractual duties or conditions;
- f. Loss of reinsurance applicable to the risk insured against resulting from termination of treaty or facultative reinsurance initiated by our reinsurer or reinsurers;
- g. Determination by the Director of Insurance that the continuation of the Policy would place us in violation of the insurance laws of this state or would jeopardize our solvency; or

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- h. Acts or omissions by you or your representative which materially increase the hazard insured against.

If we cancel this Policy based on one or more of the above reasons, we will mail by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured, and mail to the agent, if any, written notice of cancellation stating the reason(s) for cancellation. We will mail this notice to the last mailing addresses known to us, at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - b. 45 days before the effective date of cancellation if we cancel for any of the other reasons.
2. Paragraph **C. Concealment, Misrepresentation Or Fraud** is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

- 1. We will not pay for any loss or damage in any case involving misrepresentations, omissions, concealment of facts or incorrect statements:
 - a. That are fraudulent;
 - b. That are material either to the acceptance of the risk, or to the hazard assumed by us; and
 - c. Where, if the true facts had been made known to us as required either by the application for the Policy or otherwise, we in good faith would either:
 - (1) Not have issued the Policy;
 - (2) Not have issued the Policy in as large an amount; or
 - (3) Not have provided coverage with respect to the hazard resulting in the loss.

3. The following is added to Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us**:

- 3. If we pay an insured for a loss described in Paragraph **A.2.b.**, the rights of the insured to recover damages from the perpetrator of the domestic violence are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator of the domestic violence.

4. The following paragraph is added and supersedes any provision to the contrary:

M. Nonrenewal

- 1. If we elect not to renew this Policy, we will mail by certified mail or by first-class mail using Intelligent Mail barcode or another similar tracking method used or approved by the United States Postal Service to the first Named Insured, and mail to the agent, if any, written notice of nonrenewal. We will mail this notice to the last mailing addresses known to us at least 45 days prior to the expiration of this Policy.
- 2. If notice is mailed, proof of mailing will be sufficient proof of notice.
- 3. If either one of the following occurs, we are not required to provide written notice of nonrenewal:
 - a. We or a company within the same insurance group has offered to issue a renewal policy; or
 - b. You have obtained replacement coverage or agreed in writing to do so.
- 4. If written notice of nonrenewal is mailed less than 45 days prior to expiration of this Policy, and neither **3.a.** or **3.b.** applies, the coverage shall remain in effect until 45 days after the notice is mailed. Earned premium for any period of coverage that extends beyond the expiration date of this Policy shall be considered pro rata based upon the previous year's rate.

5. The following paragraph is added:

N. Renewal

- 1. If we elect to renew this Policy and the renewal is subject to any of the following:
 - a. Increase in premium;
 - b. Change in deductible;
 - c. Reduction in limits of insurance; or
 - d. Substantial reduction in coverage;

we will mail or deliver written notice of the change(s) to the first Named Insured, at the last mailing address known to us, at least 30 days before the anniversary or expiration date of the Policy.

- 2. If renewal is subject to any condition described in **1.a.** through **1.d.** above, and we fail to provide notice 30 days before

the anniversary or expiration date of this Policy, the following procedures apply:

- a. The present Policy will remain in effect until the earlier of the following:
 - (1) 30 days after the date of mailing or delivery of the notice; or
 - (2) The effective date of replacement coverage obtained by the first Named Insured.
- b. If the first Named Insured elects not to renew, any earned premium for the period of extension of the terminated

Policy will be calculated pro rata at the lower of the following rates:

- (1) The rates applicable to the terminated Policy; or
 - (2) The rates presently in effect.
- c. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes are effective the day following this Policy's anniversary or expiration date.

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**BLANKET ADDITIONAL INSURED
AND
LIABILITY EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COMMON POLICY CONDITIONS

<u>TABLE OF CONTENTS</u>
<u>I. Blanket Additional Insured Provisions</u>
<u>A. Additional Insured – Blanket Vendors</u>
<u>B. Miscellaneous Additional Insureds</u>
<u>C. Additional Provisions Pertinent to Additional Insured Coverage</u>
<u>1. Primary – Noncontributory provision</u>
<u>2. Definition of "written contract."</u>
<u>II. Liability Extension Coverages</u>
<u>A. Bodily Injury – Expanded Definition</u>
<u>B. Broad Knowledge of Occurrence</u>
<u>C. Estates, Legal Representatives and Spouses</u>
<u>D. Legal Liability – Damage to Premises</u>
<u>E. Personal and Advertising Injury – Discrimination or Humiliation</u>
<u>F. Personal and Advertising Injury – Broadened Eviction</u>
<u>G. Waiver of Subrogation - Blanket</u>

I. BLANKET ADDITIONAL INSURED PROVISIONS

A. ADDITIONAL INSURED – BLANKET VENDORS

Who Is An Insured is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed under a "written contract" to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;



- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
- f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
- g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
- h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Subparagraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- 2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- 3. This provision 2. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Policy.
- 4. This provision 2. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Policy or by endorsement.

B. MISCELLANEOUS ADDITIONAL INSURED

- 1. **Who Is An Insured** is amended to include as an insured any person or organization (called additional insured) described in paragraphs 3.a. through 3.j. below whom you are required to add as an additional insured on this policy under a "written contract.";
- 2. However, subject always to the terms and conditions of this policy, including the limits of insurance, we will not provide the additional insured with:
 - a. A higher limit of insurance than required by such "written contract";
 - b. Coverage broader than required by such "written contract" and in no event greater than that described by the applicable paragraph a. through k. below; or
 - c. Coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard." But this paragraph c. does not apply to the extent coverage for such liability is provided by paragraph 3.j. below.

Any coverage granted by this endorsement shall apply only to the extent permitted by law.

- 3. Only the following persons or organizations can qualify as additional insureds under this endorsement:

- a. **Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

- (1) such person or organization's financial control of you; or
- (2) Premises such person or organization owns, maintains or controls while you lease or occupy these premises;

provided that the coverage granted to such additional insureds does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.





b. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability for "bodily injury", "property damage" or "personal and advertising injury" as co-owner of such premises.

c. Grantor of Franchise

Any person or organization that has granted a franchise to you, but only with respect to such person or organization's liability for "bodily injury", "property damage", or "personal and advertising injury" as grantor of a franchise to you.

d. Lessor of Equipment

Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by your maintenance, operation or use of such equipment, provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury" takes place prior to the termination of such lease.

e. Lessor of Land

Any person or organization from whom you lease land, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance or use of that specific part of the land leased to you, provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury", takes place prior to the termination of such lease. The insurance hereby afforded to the additional insured does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

f. Lessor of Premises

An owner or lessor of premises leased to you, or such owner or lessor's real estate manager, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance or use of such part of the premises leased to you, and provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury", takes place prior to the termination of such lease. The insurance hereby afforded to the additional insured does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

g. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver of premises but only with respect to such mortgagee, assignee, or receiver's liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

h. State or Political Subdivisions

A state or government agency or subdivision or political subdivision that has issued a permit or authorization, but only with respect to such government agency or subdivision or political subdivision's liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- (1) The following hazards in connection with premises you own, rent, or control and to which this insurance applies:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance or use of any elevators covered by this insurance; or



(2) The permitted or authorized operations performed by you or on your behalf. But the coverage granted by this paragraph does not apply to:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or government agency or subdivision or political subdivision; or
- (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard."

With respect to this provision's requirement that additional insured status must be requested under a "written contract", we will treat as a "written contract" any governmental permit that requires you to add the governmental entity as an additional insured.

i. Trade Show Event Lessor

With respect to your participation in a trade show event as an exhibitor, presenter or displayer, any person or organization whom you are required to include as an additional insured, but only with respect to such person or organization's liability for "bodily injury", "property damage", or "personal and advertising injury" cause by:

- a. Your acts or omissions; or
- b. Acts or omissions of those acting on your behalf;

in the performance of your ongoing operations at the trade show premises during the trade show event.

j. Other Person or Organization

Any person or organization who is not an additional insured under paragraphs a. through i. above. Such additional insured is an insured solely for "bodily injury", "property damage" or "personal and advertising injury" for which such additional insured is liable because of your acts or omissions.

The coverage granted by this paragraph does not apply to any person or organization:

- (1) For "bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering or failure to render any professional services;
- (2) For "bodily injury" or "property damage" included in the "products-completed operations hazard." But this provision (2) does not apply to such "bodily injury" or "property damage" if:
 - (a) It is entirely due to your negligence and specifically results from your work for the additional insured which is the subject to the "written contract"; and
 - (b) The "written contract" requires you to make the person or organization an additional insured for such "bodily injury" or "property damage"; or
- (3) Who is afforded additional insured coverage under another endorsement attached to this policy.

C. ADDITIONAL PROVISIONS PERTINENT TO ADDITIONAL INSURED COVERAGE

With respect only to additional insured coverage provided under paragraphs A. and B. above:

1. The **BUSINESSOWNERS COMMON POLICY CONDITIONS** are amended to add the following to the Condition entitled **Other Insurance**:

This insurance is excess of all other insurance available to an additional insured whether primary, excess, contingent or on any other basis. However, if a "written contract" requires that this insurance be either primary or primary and noncontributing, then this insurance will be primary and non-contributory relative solely to insurance on which the additional insured is a named insured.

2. Under **Liability and Medical Expense Definitions**, the following definition is added:

"Written contract" means a written contract or agreement that requires you to make a person or organization an additional insured on this policy, provided the contract or agreement:

- a. Is currently in effect or becomes effective during the term of this policy; and
- b. Was executed prior to:





- (1) The "bodily injury" or "property damage"; or
 - (2) The offense that caused the "personal and advertising injury";
- for which the additional insured seeks coverage.

II. LIABILITY EXTENSION COVERAGES

It is understood and agreed that this endorsement amends the **Businessowners Liability Coverage Form**. If any other endorsement attached to this policy amends any provision also amended by this endorsement, then that other endorsement controls with respect to such provision, and the changes made by this endorsement to such provision do not apply.

A. Bodily Injury – Expanded Definition

Under **Liability and Medical Expenses Definitions**, the definition of "Bodily injury" is deleted and replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the physical injury, sickness or disease.

B. Broad Knowledge of Occurrence

Under Businessowners Liability Conditions, the Condition entitled Duties In The Event of Occurrence, Offense, Claim or Suit is amended to add the following:

Paragraphs **a.** and **b.** above apply to you or to any additional insured only when such "occurrence," offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This paragraph applies separately to you and any additional insured.

C. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and spouses of any natural person insured shall also be insured under this policy; provided, however, coverage is afforded to such estates, heirs, legal representatives and spouses only for claims arising solely out of their capacity as such and, in the case of a spouse, where such claim seeks damages from marital common property, jointly held property, or property transferred from such natural person insured to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative or spouse outside the scope of such person's capacity as such, provided however that the spouse of a natural person Named Insured and the spouses of members or partners of joint venture or partnership Named Insureds are insureds with respect to such spouses' acts, errors or omissions in the conduct of the Named Insured's business.

D. Legal Liability – Damage To Premises

- 1. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, Exclusion **k. Damage To Property**, is replaced by the following:

k. Damage To Property

"Property damage" to:

- 1. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of



such property for any reason, including prevention of injury to a person or damage to another's property;

2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the insured;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly in your behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2 of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 1, 3, and 4, of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises:

- (1) rented to you;
- (2) temporarily occupied by you with the permission of the owner, or
- (3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D – Liability and Medical Expenses Limits of Insurance.

Paragraphs 3, 4, 5, and 6 of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6 of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

2. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, the following paragraph is added, and replaces the similar paragraph, if any, beneath paragraph (14) of the exclusion entitled **Personal and Advertising injury**:

Exclusions **c, d, e, f, g, h, i, k, l, m, n, and o**, do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner or to the contents of premises rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to this coverage as described in **Section D. Liability And Medical Expenses Limits Of Insurance**.

3. The first Paragraph under item **5. Damage To Premises Rented To You Limit** of the section entitled **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

The most we will pay under Business Liability for damages because of "property damage" to any one premises, while rented to you or temporarily occupied by you with the permission of the owner, including contents of such premises rented to you for a period of 7 or fewer consecutive days, is the Damage to Premises Rented to You limit shown in the Declaration.

E. Personal and Advertising Injury – Discrimination or Humiliation

1. Under **Liability and Medical Expenses Definitions**, the definition of "personal and advertising injury" is amended to add the following:
 - h.** Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:
 - (1) Not done intentionally by or at the direction of:
 - (a) The insured; or





- (b) Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and
- (2) Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or person by any insured.
- 2. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, the exclusion entitled **Personal and Advertising injury** is amended to add the following additional exclusions:
 - (15) **Discrimination Relating to Room, Dwelling or Premises**
Caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.
 - (16) **Employment Related Discrimination**
Discrimination or humiliation directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person by any insured.
 - (17) **Fines or Penalties**
Fines or penalties levied or imposed by a governmental entity because of discrimination.
- 3. This provision (**Personal and Advertising Injury – Discrimination or Humiliation**) does not apply if **Personal and Advertising Injury Liability** is excluded either by the provisions of the Policy or by endorsement.

F. Personal and Advertising Injury - Broadened Eviction

Under **Liability and Medical Expenses Definitions**, the definition of "Personal and advertising injury" is amended to delete Paragraph c. and replace it with the following:

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room dwelling or premises that a person or organization occupies committed by or on behalf of its owner, landlord or lessor.

G. Waiver of Subrogation – Blanket

We waive any right of recovery we may have against:

- a. Any person or organization with whom you have a written contract that requires such a waiver.

All other terms and conditions of the Policy remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INFLATION GUARD

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form:

Inflation Guard

1. The limit of Insurance for Building will be increased by the annual percentage shown in the Declarations, if you choose this optional coverage.

The limit of Insurance for Business Personal Property will be increased by the annual percentage shown in the Declarations, if you choose this optional coverage.

2. The amount of increase will be:

- a. The limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the limit; times

- b. The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 5% is .05); times
- c. The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the limit, divided by 365.

Example:

If: the applicable limit is \$100,000.

The annual increase is 5%.

The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is:

$\$100,000 \times .05 \times 146 / 365 = \$2,000.$

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ECONOMIC AND TRADE SANCTIONS CONDITION

The following condition is added to the **COMMON POLICY CONDITIONS**:

ECONOMIC AND TRADE SANCTIONS CONDITION

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void **ab initio** (void from its inception) with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;

4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

- I. The following provisions are added to the Business Liability Coverage Forms:

- A. **War** Exclusion i. under Paragraph **B.1., Exclusions – Applicable to Business Liability Coverage** is replaced by the following:

This insurance does not apply to War.

"Bodily injury," "property damage," "personal and advertising injury," however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government,

sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

- II. The following provision is added to the Business Liability Coverage Form:

- A. Exclusion h. under Paragraph **B.2., Exclusions – Applicable To Medical Expenses Coverage** does not apply. Medical Expenses due to war are now subject to Exclusion g. of Paragraph **B.2.**, since "bodily injury" arising out of war is now excluded under Paragraph **B.1., Exclusions – Applicable To Business Liability Coverage**.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SILICA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

- A.** The following exclusion is added to **Section B.1. EXCLUSIONS – Applicable to Business Liability Coverage:**

This insurance does not apply to:

1. "Bodily injury" arising in whole or in part out of the actual, alleged or threatened respiration or ingestion at any time of "silica"; or
2. "Property damage" arising in whole or in part out of the actual, alleged or threatened presence of "silica."

3. This insurance does not apply to "personal and advertising injury" arising in whole or in part out of the actual, alleged or threatened exposure at any time to or the presence of "silica."

- B.** The following definition is added:

"Silica" means the chemical compound silicon dioxide (SiO₂) in any form, including dust which contains "silica."



BUSINESSOWNERS COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.

- (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

- (a) Seasonal unoccupancy; or

- (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a covered cause of loss, permanent repairs to the building:

- (a) Have not started, and

- (b) Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:

- (a) An outstanding order to vacate;

- (b) An outstanding demolition order; or

- (c) Been declared unsafe by governmental authority.

- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

- (5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

- (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

- c. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

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E. Inspections And Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. Liberalization

If, during your policy period, we adopt any revision that would broaden the coverage under this policy without additional premium the broadened coverage will immediately apply to this policy. The broadened coverage will also apply to the renewal of this policy if such renewal was in process or was mailed prior to the date we adopted such revision.

H. Other Insurance

1. If you have other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will

undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if the Declarations show an Audit Period other than 'Not Auditable.' We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us**1. Applicable to Businessowners Property Coverage:**

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a.** Prior to a loss to your Covered Property.
- b.** After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1)** Someone insured by this insurance;
 - (2)** A business firm:
 - (a)** Owned or controlled by you; or
 - (b)** That owns or controls you; or
 - (3)** Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI / MOLD / MILDEW / YEAST / MICROBE EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

A. The following exclusion is added to SECTION B.1., EXCLUSIONS – Applicable to Business Liability Coverage:

This insurance does not apply to:

Fungi and Microbes

- (1) "Bodily injury" or "property damage" arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any "fungi" or "microbes." This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage, loss, cost or expense. This exclusion does not apply where your business is food processing, sales, or serving, and the "bodily injury" is caused solely by food poisoning in connection with such processing, sales, or serving.
- (2) Any loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of "fungi" or "microbes" by any insured or by anyone else.
- (3) "Property damage" arising out of or relating to the actual, alleged or threatened contact with, exposure to, existence of, or growth or presence of any "fungi" or "microbes."

B. The following exclusion is added to SECTION B.1.q. & r., EXCLUSIONS – Applicable to Business Liability Coverage / "Personal injury" or "advertising injury":

This insurance does not apply to:

Fungi and Microbes

- (1) "Personal injury" or "advertising injury" arising out of or relating to, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or growth or presence of any "fungi" or "microbes."
- (2) Any loss, cost or expense arising out of or relating to the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, or disposing of, or in any way responding to or assessing the effects of "fungi" or "microbes" by any insured or by anyone else.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to such injury, loss, cost or expense.

C. The following definitions are added to SECTION F., DEFINITIONS:

"Fungi" means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of fungi. But "fungi" does not include any fungi intended by the insured for consumption.

"Microbe(s)" means any non-fungal microorganism or non-fungal, colony-form organism that causes infection or disease. "Microbe" includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of microbes. But "microbe" does not mean microbes that were transmitted directly from person to person.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI, WET ROT, DRY ROT AND MICROBE EXCLUSION/LIMITED COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

A. Section B.1., EXCLUSIONS, is amended to add the following provision:

m. Fungi, Wet Rot, Dry Rot and Microbes

Presence, growth, proliferation, spread or any activity of "fungi," wet or dry rot, or "microbes."

This exclusion does not apply when "fungi," wet or dry rot or "microbes" result from fire or lightning.

B. Section B.2., EXCLUSIONS, Paragraph d. Other Types of Loss, items (2) and (7), are deleted in their entirety and replaced as follows:

(2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

(7) The following causes of loss:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

C. Section B.1., EXCLUSIONS, Paragraph g. Water, is amended to add the following provision:

(5) Continuous or repeated discharge, seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more. But if the continuous or repeated seepage or leakage of water results in Equipment Breakdown not otherwise excluded, we will pay for the loss or damage caused by that Equipment Breakdown.

D. The following is added to Section A. Coverage, Paragraph 5. of the Additional Coverages section:

Additional Coverage – Limited Coverage for "Fungus," Wet Rot, Dry Rot and Bacteria

1. The coverage described below in paragraphs D.2. and D.6. of this Limited Coverage endorsement only applies when the "fungus," wet or dry rot or bacteria is the result of Covered Causes of Loss other than fire or lightning that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

2. We will pay for loss or damage by "fungus," wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:

a. Direct physical loss or damage to Covered Property caused by "fungus," wet or dry rot or bacteria, including the cost of removal of the "fungus," wet or dry rot or bacteria.

b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus," wet or dry rot or bacteria; and

c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus," wet or dry rot or bacteria are present.

3. The coverage described under paragraph D.2. of this Limited Coverage endorsement is limited to \$25,000, unless a different limit is shown in the Declarations. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of Covered Causes of Loss (other than fire or lightning) which take place in a 12 month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus," wet or dry rot or bacteria, we will not pay more than a total of \$25,000 (unless a different limit is shown in the Declarations), even if the "fungus," wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus," wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus," wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus," wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.



5. The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages Section of the Special Property Coverage Forms.
6. The following paragraphs, 6.a. or 6.b. applies to the Business Income and Extra Expense coverage and only if the suspension (slowdown or cessation) of "operations" satisfies all terms and conditions of the applicable Business Income and Extra Expense coverage. The coverage provided under this Limited Coverage is part of and does not increase the applicable Limit of Insurance on the Business Income and Extra Expense coverage.
 - a. If the loss which resulted in "fungus," wet or dry rot or bacteria does not in itself necessitate a suspension of "operations," but such suspension is necessary due to loss or damage to property caused by "fungus," wet or dry rot or bacteria, then our payment under Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - b. If a covered suspension of "operations" was caused by loss or damage other than "fungus," wet or dry rot or bacteria but remediation of "fungus," wet or dry rot or bacteria prolongs the "period of restoration," we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.
- E. Under this policy, we will not pay under the Ordinance or Law Coverage for:
 1. Loss or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "fungus," wet or dry rot or bacteria; or
 2. The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "fungus," wet or dry rot or bacteria.
- F. **Section G., PROPERTY DEFINITIONS**, is amended to add the following two (2) definitions:

"Fungi" means any form of fungus, including but not limited to, yeast, mold, mildew, rust, smut or mushroom, and including any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of "fungi." But "fungi" does not include any "fungi" intended by the insured for consumption.

"Microbe(s)" means any non-fungal micro-organism or non-fungal, colony-form organism that causes infection or disease. "Microbe" includes any spores, mycotoxins, odors, or any other substances, products, or byproducts produced by, released by, or arising out of the current or past presence of "microbes."



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE CLAUSES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

SCHEDULE*

Prem. No.	Description of Property	Loss Payee (Name & Address)	Provision Applicable (Indicate Paragraph A, B, C or D)
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REFER TO LOSS PAYEE SCHEDULE

* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

The following is added to the Businessowners Special Property Coverage Form LOSS PAYMENT Loss Condition, as shown in the Declarations or by an "A," "B," "C," or "D" in the Schedule:

A. LOSS PAYABLE CLAUSE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE CLAUSE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading; or
- d. Financing statements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the Loss Payee will still

have the right to receive loss payment if the Loss Payee:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of the Businessowners Special Property Coverage Form will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.



4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. CONTRACT OF SALE CLAUSE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the OTHER INSURANCE Businessowners Common Policy Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

D. BUILDING OWNER LOSS PAYABLE CLAUSE

1. The Loss Payee shown in the Schedule or in the Declarations is the owner of the described building, in which you are a tenant.
2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.
3. We will adjust losses to tenant's improvements and betterments with you, unless the lease provides otherwise.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ASBESTOS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the actual, alleged or threatened exposure at any time to asbestos; or
- (2) Any loss, cost or expense that may be awarded or incurred:
 - (a) by reason of a claim or "suit" for any such injury or damage; or
 - (b) in complying with a governmental direction or request to test for, monitor, clean up, remove, contain or dispose of asbestos.

Asbestos means the mineral in any form whether or not the asbestos was at any time:

- (1) airborne as a fiber, particle or dust;
- (2) contained in, or formed a part of a product, structure or other real or personal property;
- (3) carried on clothing;
- (4) inhaled or ingested; or
- (5) transmitted by any other means.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
EMPLOYMENT – RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to Section **B. EXCLUSIONS** of the Businessowners Liability Coverage Form:

This insurance does not apply to:

- r. "Bodily injury" or "personal and advertising injury" to:
 - (1) A person arising out of any;
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment,

humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.



BUSINESSOWNERS LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the company providing the insurance.

The word "insured" means any person or organization qualifying as such under Section **C. – Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION F – LIABILITY DEFINITIONS**.

A. Coverages

1. Business Liability (Bodily Injury, Property Damage, Personal and Advertising Injury)

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury," "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury," "property damage" or "personal and advertising injury," to which this insurance does not apply. We may at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in **Section D – Liability And Medical Expenses Limits Of Insurance**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses to which this insurance applies.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension – Supplementary Payments.

- b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.

- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under **Section C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under **Section C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

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- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury."
- f. Coverage Extension – Supplementary Payments**
- (1) In addition to the Limit of Insurance of Liability we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
- (a) All expenses we incur.
 - (b) Up to \$1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$250 a day because of time off from work.
 - (e) All court costs taxed against the insured in the "suit." However, these payments do not include attorneys' fees or attorney expenses taxed against the insured.
 - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limits of Insurance.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit," we will defend that indemnitee if all of the following conditions are met:
- (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:
 - (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and
 - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (ii) Provides us with written authorization to:

- i. Obtain records and other information related to the "suit"; and
 - ii. Conduct and control the defense of the indemnitee in such "suit."
- (3) So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph B.1.b.(2) Exclusions in Section B - EXCLUSIONS, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in f. above are no longer met.

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
 provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and
 - (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the

applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract," provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract," reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage," provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:



- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract."

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage,

migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat, cool or dehumidify the building or equipment that is used to heat water for personal use by the buildings occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in

connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

(i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

(ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

(iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire."

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants."

(2) Any loss, cost or expense arising out of any:

- a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- b. Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants."

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading."

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) An aircraft that is:
 - (a) Hired, chartered, or loaned with a paid crew; but
 - (b) Not owned by any insured;
- (2) A watercraft while ashore on premises you own or rent;
- (3) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (4) Parking an "auto" on, or on the ways next to, premises you own or rent, provided

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the "auto" is not owned by or rented or loaned to you or the insured;

- (5) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (6) "Bodily injury" or "property damage" arising out of the operation of any of the following equipment:

(a) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(b) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury" or "property damage" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement.

j. Professional Services

"Bodily injury," "property damage," "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;

- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Body piercing services;

- (9) Services in the practice of pharmacy;

- (10) Veterinary medicine services;

- (11) Mortician services; and

- (12) Services rendered in connection with the creation and/or development, modification, or repair of "software," including, but not limited to design, specifications, system or "software" configuration and consultation.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage," or the offense which caused the "personal and advertising injury," involved the rendering or failure to render any professional service.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or

- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limit Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products – completed operations hazard."

I. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products – completed operations hazard."

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) Arising out of a criminal act committed by or at the direction of any insured;
- (5) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;

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- (b) Designing or determining content of web-sites for others; or
- (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b. and c.** of "personal and advertising injury" under Paragraph **F. Liability And Medical Expenses Definitions.**

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting.

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (11) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of, "pollutants."
- (12) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.
- (13) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement," of copyright, trade dress or slogan.

- (14) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

Exclusions **c., d., e., f., g., h., i., k., l., m., n. and o.** in **Section II – Liability** do not apply to damage by fire or explosion to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate

Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D. Liability And Medical Expenses Limits of Insurance.**

q. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

2. **Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers."
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while taking part in athletics.
- f. Included within the "products – completed operations hazard."
- g. Excluded under Business Liability Coverage.
- h. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

3. **Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy

Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the nuclear material"; if:
- (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

d. As used in this exclusion:

- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
 - (a) Any "nuclear reactor";
 - (b) Any equipment or device designed or used for:
 - (i) Separating the isotopes of uranium or plutonium;
 - (ii) Processing or utilizing "spent fuel"; or
 - (iii) Handling, processing or packaging "waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

- (4) "Nuclear material" means "source material," "special nuclear material" or "byproduct material";
- (5) "Nuclear reactor" means an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property.
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has

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been used or exposed to radiation in a "nuclear reactor";

(10) "Waste" means any waste material:

- (a)** Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any one processed primarily for its "source material" content; and
- (b)** Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraph **(a)** and **(b)** of the definition of "nuclear facility."

C. Who Is An Insured

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an Insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees," other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these

"employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b)** To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(a)** above;

- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(a)** or **(b)**; or

- (d)** Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" to property:

- (a)** Owned, occupied or used by,

- (b)** Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees," "volunteer workers," any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

- c.** Any person or organization having proper temporary custody of your property if you die, but only:

- (1)** With respect to liability arising out of the maintenance or use of that property; and

- (2)** Until your legal representative has been appointed.

- d.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

3. With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

4. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership of majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Bodily Injury and Property Damage coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
- c. Personal and Advertising Injury coverage does not apply to "personal injury" or "advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits."
2. The most we will pay for:

- a. Injury or damages under the "products completed operations hazard" arising from all "occurrences" during the policy period is the Products-Completed Operations Aggregate Limit shown in the Declarations.

- b. All other injury or damages, including medical expenses, arising from all "occurrences" during the policy period is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This aggregate Limit does not apply to "property damage" to premises rented to you arising out of fire, lightning or explosion.

3. Subject to item 2. above, the most we will pay for the sum of all damages because of all "bodily injury," "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expense Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Subject to item 2. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. The most we will pay under Business Liability Coverage for damages because of "property damage" to premises rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner, is the Damage To Premises Rented To You Limit shown in the Declarations.

The Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning, or explosion or any combination of the three.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit," the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit." However, this paragraph does not apply to the Medical Expenses limit set forth in paragraph 3. above.

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The Limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. Businessowners Liability Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or

damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.

- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance in this policy, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

6. Unintentional Failure to Disclose Hazards

It is agreed that based on our reliance on your representations as to existing hazards, if unintentionally you should fail to disclose all such hazards at the inception date of your policy, we shall not deny any coverage under this Coverage Form because of such failure.

F. Liability And Medical Expenses Definitions

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment."

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the

merits in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker." "Employee" does not include a "temporary worker."

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work," that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be

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imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (c) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker."

11. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto."

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraphs **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraphs **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury," arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement."

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed

16. "Products – completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or

replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or

(2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Software" means:

- a. Electronic data processing, recording or storage media such as films, tapes, cards, discs, drums or cells; and
- b. Data and programming records used for electronic data processing or electronically controlled equipment stored on such media; and
- c. Written or printed data, such as programs, routines, and symbolic languages, essential to the operation of computers; and
- d. Documents containing information on the operation and maintenance of computers.

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19. "Suit" means a civil proceeding in which damages because of "bodily injury," "property damage," "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

20. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

21. "Volunteer worker" means a person who is not your "employee," and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

22. "Your product":

a. Means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

23. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TARGETED HACKER ATTACK

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions. Unless otherwise stated, payments made under this Coverage Extension are subject to and not in addition to the applicable Limits of Insurance.

Targeted Hacker Attack

1. We will pay up to the Limits of Insurance indicated in Paragraphs **9.** and **10.** below, for the following:

- a. Corruption, distortion, deletion, damage or destruction of your "electronic data" caused by or resulting from a "targeted hacker attack."
- b. Subject to paragraph **8.** below, actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by the necessary interruption or suspension of your "electronic data processing equipment" resulting from a "targeted hacker attack" that corrupts, distorts, deletes, damages or destroys your "electronic data."
- c. Subject to paragraph **8.** below, with respect to a "suspension" of your "operations" as described in paragraph **1.b.** above, the "extra expense" (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue "operations"; or
- (2) Minimize the "suspension" of business if you cannot continue "operations."

2. Worldwide coverage is provided under this Coverage Extension. The coverage territory as described in Paragraph **F.8.b** does not apply to this Coverage Extension.

3. This Coverage Extension does not apply to:

- a. "Stock"; or
- b. Property that is licensed, leased or rented to others.

4. The following exclusions as described in Section **B.**, Exclusions, of the Businessowners Special Property Coverage Form do not apply to this Coverage Extension:

- a. Paragraph **1.j.**; and

b. Paragraph **1.k.**

5. The following additional exclusions apply:

With respect to this Coverage Extension, we will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- a. Programming errors or omissions, or incorrect instructions to a machine, including without limitation, incorrect instructions to "electronic data processing equipment" from a user incorrectly operating with, or committing an error using, an input device (including, without limitation, a keyboard, mouse or touchpad) and corrupting, distorting, deleting, damaging or destroying "electronic data."
- b. Misappropriation, theft, copying, transfer or unauthorized viewing of any property, proprietary or confidential information, "money," "securities," "stock," "electronic data processing equipment" "electronic media and data" or "electronic data" including without limitation, the use of any computer to cause such misappropriation, transfer or copying.
- c. Errors or deficiency in design, installation, maintenance, repair or modification of your "electronic data processing equipment," "electronic media and data" or "electronic data" or any "electronic data processing equipment," electronic devices, computer system or network to which your "electronic data processing equipment" "electronic media and data" or "electronic data" is connected or dependent; provided, however, this exclusion shall not apply with respect to any such error or deficiency in design, installation, maintenance, repair or modification that is exploited as part of an otherwise covered "targeted hacker attack."
- d. Unexplained or indeterminable failure, malfunction or slowdown of a "electronic data processing equipment" "electronic media and data" or "electronic data."
- e. Suspension, interruption, delay, disruption, loss of functionality of, inaccessibility to, or inability to use or communicate with, any "electronic data

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processing equipment," "electronic media and data," "electronic data," computer resource, electronic device, computer system, computer network or equipment.

f. "Mass attack malware."

g. "Mass system penetration."

6. The following definitions apply to this Coverage Extension:

a. Business Income means:

- (1) Net Income (Net Profit or Loss before Income taxes) that would have been earned or incurred, including; and
- (2) Continuing normal operating expenses incurred, including payroll.

b. Extra Expense means reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no necessary interruption or suspension of your "electronic data processing equipment" resulting from a "targeted hacker attack" that corrupts, distorts, deletes, damages or destroys your "electronic data." Provided, however, that Extra Expense shall not mean the costs you incur to copy, research, replace or restore "electronic data."

7. For purposes of this Coverage Extension only, the definition for "period of restoration" as set forth in the Businessowners Special Property Coverage Form is changed to the following (the definition shall remain unchanged with respect to all other parts of the policy):

"Period of restoration" means the period of time that:

- a. Begins on the date and time of the necessary interruption or suspension of your "electronic data processing equipment"; and

- b. Ends on the date and time that the necessary interruption or suspension of your "electronic data processing equipment" ends, or would have ended had you acted with due diligence and dispatch.

Provided, however, that "period of restoration" shall not mean more than, or exceed, thirty (30) days. The expiration date of this policy will not cut short the "period of restoration."

8. We shall not be liable for any payment for the "extra expense" you incur, and loss of Business Income you sustain, during the first 12 hours following the date and time the necessary interruption or suspension of your "electronic data processing equipment" begins; provided, however, if the "business income and extra expense" – 72 Hour Deductible endorsement is part of this policy, the "12 hours" reference in this paragraph shall be changed to "72 hours" and the 72 hour deductible stated in that endorsement shall apply with respect to this Coverage Extension.
9. The most we will pay in the aggregate under this Coverage Extension and the policy for all corruption, distortion, deletion, damage, destruction or any other harm to "electronic data" (combined) caused by or resulting from a "targeted hacker attack," during each separate 12 month period of this policy beginning with the effective date of this policy, is \$25,000 or the limit shown on the Declaration page.
10. The most we will pay in the aggregate under this Coverage Extension and the policy for all "extra expense" and loss of "business income" (combined) during each separate 12 month period of this policy beginning with the effective date of this policy is \$25,000.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

SCHEDULE*[illegible]

Describe any "P-9":

Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

A. The following is added to the Property Loss Conditions in the Businessowners Special Property Coverage Form:

PROTECTIVE SAFEGUARDS

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

SB300139C (Ed. 4 14)
Page 1 of 2

Policy No.
Endorsement No:
Effective Date:

Insured Name:

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2. The protective safeguards to which this endorsement applies are identified by the following symbols:

a. **"P-1" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

(1) Any automatic fire protective or extinguishing system, including connected:

- (a) Sprinklers and discharge nozzles;
- (b) Ducts, pipes, valves and fittings;
- (c) Tanks, their component parts and supports; and
- (d) Pumps and private fire protection mains.

(2) When supplied from an automatic fire protective system:

- (a) Non-automatic fire protective systems; and
- (b) Hydrants, standpipes and outlets.

b. **"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

- (1) Connected to a central station; or
- (2) Reporting to a public or private fire alarm station.

c. **"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

d. **"P-4" Service Contract**, with a privately owned fire department providing fire protection service to the described premises.

e. **"P-5" Automatic Commercial Cooking Exhaust and Extinguishing System**, installed on cooking appliances and having the following components:

- (1) Hood;
- (2) Grease removal device;
- (3) Duct system; and
- (4) Wet chemical fire extinguishing equipment.

f. **"P-9"** The protective system described in the Schedule.

B. The following is added to the EXCLUSIONS section of the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM:

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

- 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.



FIDUCIARY LIABILITY COVERAGE FORM

THIS IS A CLAIMS MADE COVERAGE FORM. PLEASE READ ALL PROVISIONS AND CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS. THIS INSURANCE APPLIES ONLY TO "WRONGFUL ACTS" THAT OCCUR BETWEEN THE RETROACTIVE DATE AND THE END OF THE "POLICY PERIOD." THIS INSURANCE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE INSURED AFTER THE INCEPTION DATE AND BEFORE THE END OF THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD AND REPORTED TO US IN ACCORDANCE WITH THE PROVISIONS OF THIS FORM. UPON TERMINATION OF YOUR POLICY AN AUTOMATIC EXTENDED REPORTING PERIOD WILL BE PROVIDED, AND A SUPPLEMENTAL EXTENDED REPORTING PERIOD WILL BE AVAILABLE.

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the terms "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy." The terms "we," "us" and "our" refer to the Stock Insurance Company named on the Declarations providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section III – Definitions.

SECTION I – INSURING AGREEMENTS

A. Coverage

We will pay those sums in excess of the deductible and subject to the limits of liability that the Insured becomes legally obligated to pay as "damages" because of a claim resulting from a "wrongful act" provided:

1. The "wrongful act" takes place in the "coverage territory";
2. The "wrongful act" did not occur before the Retroactive Date, if any, shown in the Declarations nor after the end of the "policy period"; and
3. A "claim" arising out of a "wrongful act" is first made against an insured, during the "policy period" or Extended Reporting Period, if applicable and is reported to us in accordance with Section VIII, Conditions, paragraph C, Duties in the event of a "Claim"; and
4. Prior to the inception date of this Coverage Form:
 - a. The Insured did not give notice to a prior insurer of a "related claim";
 - b. The Insured did not give notice to a prior insurer of any such "wrongful act" or "interrelated wrongful act."

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided

for under paragraph 1.D. – **Supplementary Payments**

B. Defense

We have the right and duty to defend all "suits," even if the allegations are groundless, false or fraudulent. We shall have the right to appoint counsel and to make such investigation and defense of a "suit" as we deem necessary. Alternatively we may, at our option, give our written consent to the defense of any such "suit" to the insured. Our obligation to defend any "suit" or pay any "damages" and "defense expenses" for any "claim" shall be completely fulfilled and extinguished if the limit of insurance has been exhausted by payment of "damages" or "defense expenses."

C. Consent To Settle

We shall not settle a "claim" without your written consent. If you refuse to consent to a settlement or compromise recommended by us, and acceptable to the claimant, then the applicable limit of insurance under this Coverage Form shall be reduced to the amount for which the "claim" could have been settled plus all "defense expenses" incurred up to the time we made our recommendation.

D. Supplementary Payments

We will pay, with respect to any "claim" or "suit" we investigate or settle, or any "suit" against an insured we defend all "defense expenses." These payments

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are included within and reduce the Limits of Insurance.

SECTION II – WHO IS AN INSURED

- A. If you are designated in the Declarations as:
1. A partnership or joint venture, you are an insured. Your partners or members are also insureds.
 2. A limited liability company, you are an insured. Your members and managers are also insureds.
 3. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your directors, officers and trustees are also insureds.
- B. Your "plans" and their employees, directors, officers and trustees are also insureds.
- D. Your employees are also insureds, unless otherwise excluded in this policy.
- E. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the "policy period," whichever is earlier; and
 2. Does not apply to an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – DEFINITIONS

The following defined words shall have the same meaning throughout this Coverage Form, whether expressed in the singular or the plural.

- A. "Claim" means:
1. A "suit"; or
 2. A written demand for monetary or non-monetary damages made against an insured, arising out of a "wrongful act,"
- B. "Coverage territory" means:
1. The United States of America (including its territories or possessions) and Puerto Rico; or
 2. All parts of the world if the "insured's" responsibility to pay "damages" is determined in a

"suit" on the merits brought in the territory described in Paragraph 1. above or in a settlement of a "claim" that we agree to.

- C. "Damages" means sums, settlements, judgments (including any award of pre-judgment and post-judgment interest) for which you are legally obligated to pay on account of a covered "claim." "Damages" shall not include:
1. Any taxes, sanctions, criminal or civil fines, or penalties imposed by law other than:
 - a. The five percent or less or the twenty percent or less penalty imposed upon an insured as a Fiduciary under Section 502(i) or 502(l) of ERISA;
 - b. Those civil fines or penalties imposed under 42 USC 1320d-5(a) the Health Insurance Portability and Accountability Act of 1996 provided however that our maximum limit of insurance for all such fines and penalties shall be \$10,000 in the aggregate, regardless of the number of "claims" made or Insureds covered under this Coverage Form. This sublimit of insurance is part of and not in addition to the limit of insurance set forth on the Declarations.
 2. Any amount for which an "insured person" is absolved from payment by reason of any covenant, agreement or court order;
 3. Any matters deemed uninsurable under the law pursuant to which this Policy is construed.

Notwithstanding anything to the contrary above, "damages" shall include punitive or exemplary damages, if insurable, to the fullest extent permitted by any applicable law. Where you reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, we shall not challenge that determination of insurability.

- D. "Defense expenses" means all fees charged by attorneys designated by us, or by you, with our written consent and all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim" if incurred by us or you with our written consent, including the costs of appeal, attachment or similar bonds. We have no obligation to provide such bonds. "Defense Expenses" shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, and employees of yours.
- E. "Domestic Partner" means any person qualifying as such under any federal, state or local laws or under your employee benefit plans.
- F. "ERISA or any Similar Act" means the Employee Retirement Income Security Act of 1974, as

amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.

- G. **"Executive officer"** means your chairperson, chief executive officer, president, chief financial officer and in-house general counsel;
- H. **"Insured Persons"** means all of those natural person insureds who are your partners, trustees, members, managers, "executive officers," directors and employees
- I. **"Interrelated Wrongful Acts"** means any "wrongful acts" which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
- J. **"Pension Plan"** means any employee pension benefit plan as defined in 29 U.S.C. §1002 subject to regulation under "ERISA or any Similar Act." "Pension plan" shall not include an excess benefit plan as defined in 29 U.S.C. §1002 or an employee stock ownership plan as defined in 26 U.S.C. §4975.
- K. **"Plan"** means:
 - a. Any "welfare plan" which was, is now, or hereafter becomes, sponsored solely by you, or sponsored jointly by you and a labor organization, solely for the benefit of your employees;
 - b. Any "pension plan" which was, on or prior to the effective date of this Policy, sponsored solely by you, or sponsored jointly by you and a labor organization, solely for the benefit of your employees;
 - c. Any "pension plan" which, after the effective date of this Policy, becomes sponsored solely by you, or jointly by you and a labor organization, solely for the benefit of your employees, if and to the extent coverage with respect such "pension plan" is afforded pursuant to Section XIV.1 of the General Terms & Conditions of this Policy; or
 - d. Any government-mandated insurance for workers' compensation, unemployment, social security or disability benefits for employees of Named Company or any Subsidiary.
- L. **"Welfare Plan"** means any employee welfare benefit plan as defined in 29 U.S.C. §1002 subject to regulation under ERISA or any Similar Act. Welfare Plan shall not include an excess benefit plan as defined in 29 U.S.C. §1002.
- M. **"Policy Period"** means the period from the effective date of this Coverage Form to the expiration date stated on the Declarations, or its earlier cancellation date.
- N. **"Pollutants"** means any substance exhibiting hazardous characteristics as, is or may be defined or

identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. "Pollutants" also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.

- O. **"Related claims"** mean all claims arising out of a single "wrongful act" or arising out of "interrelated wrongful acts."
- P. **"Suit"** means a formal civil, criminal, administrative, or regulatory proceeding or investigation or an arbitration against an "insured," including any appeal therefrom.
- Q. **"Wrongful act"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty by the insureds in the discharge of their duties in their capacities, or solely by reason of their status as fiduciaries or administrators (as defined in "ERISA or any similar act") of any "plan," including, without limitation:
 - (i) Counseling employees, beneficiaries or "plan" participants with respect to any "plans";
 - (ii) Providing interpretations with respect to any "plan";
 - (iii) Handling records in connection with any "plan";
 - (iv) Enrolling, terminating or canceling employees under any "plan"; or
 - (v) Otherwise performing or failing to perform "ERISA or any similar act" obligations relating to any "plan."

SECTION IV- EXTENDED REPORTING PERIOD

- A. If the first Named Insured cancels or non-renews this Coverage Form or if we decide not to offer any renewal terms for this Coverage Form, the first Named Insured shall have the right to purchase, upon payment of an additional premium not to exceed 200% of the annual premium for this coverage, an extension of this Coverage Form for a period of 12 months immediately following the end of the "policy period," but only with respect to any "wrongful act" committed before the earlier of the end of the "policy period";

This period shall be referred to as the Extended Reporting Period.
- B. As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Coverage Form must have been paid. The right to purchase the Extended Reporting Period shall end



unless we receive written notice and full payment of the premium for such period within 30 days after the end of the "policy period."

- C. If the Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by us to return any portion thereof.
- D. There is no separate or additional limit of insurance for the Extended Reporting Period.

SECTION V- LIMIT OF INSURANCE

Your rights and ours are stated in the attached Single Limit of Insurance Endorsement For Employment Practices/Fiduciary Liability Coverage Forms

SECTION VI - EXCLUSIONS

A. Exclusions Applicable to Damages and Defense Expenses

We will not be liable to pay any "damages" or "defense expenses" under this Coverage Form in connection with any "claim" made against an insured:

1. Bodily Injury/Property Damage

For any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use;

2. Violation of Law

For any actual or alleged violation of any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world except the Consolidated Omnibus Budget Reconciliation Act of 1985 or the Health Insurance Portability and Accountability Act of 1996 or any amendments to such laws or any rules or regulations promulgated under such laws.

3. Pollution

Based upon, directly or indirectly arising out of or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, "pollutants"; any request, direction or order that any of the insureds test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of "pollutants" or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters.

4. Prior Wrongful Acts of Subsidiaries

For:

- (a) Any "wrongful act" by an insured of any of your subsidiaries, or by such subsidiary occurring before the date such entity became a subsidiary, or
- (b) Any other "wrongful act," whenever occurring, which, together with a "wrongful act" described in (a) above, would constitute "interrelated wrongful acts."

5. Assumed Liability

Based upon, directly or indirectly arising out of or in any way involving the insured's assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an Insured in the absence of such agreement.

B. Exclusions Applicable to Non-Monetary Relief

We will not be liable to pay any "damages" under this Coverage Form that represent:

- 1. The return or reversion to you of any contribution or asset of any "plan";
- 2. Any costs incurred by an insured to comply with any order for remedial, preventive, injunctive or other non-monetary relief, or to comply with an agreement to provide such relief;
- 3. Benefits due or to become due under any "plan," or benefits which would be due under any "plan" if such "plan" complied with all applicable law, except to the extent that:
 - i. An "insured person" is legally obligated to pay such benefits as a personal obligation, and
 - ii. Recovery for the benefits is based upon a covered "wrongful act"; or
- 4. An employer's contributions owed to a "plan" and other amounts for which the insureds are legally obligated to pay by reason of the failure to collect such contributions.

SECTION VII – CONDITIONS

A. Bankruptcy

Bankruptcy or insolvency of the insured or of the "insured's" estate will not relieve us of our obligations under this policy.

B. Duties In The Event Of A "Claim"

- 1. If, during the "policy period" or any Extended Reporting Period, if applicable, any "claim" is first made against the "insured," the insured shall, as a condition precedent to our obligations under this Coverage Form, give us written notice as

soon as practicable but in no event later than ninety (90) days after the end of the "policy period" or the Extended Reporting Period, if applicable.

2. You must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - b. Authorize us to obtain records and other information; and
 - c. Cooperate with us in the investigation or settlement of the "claim" or defense of the "suit."
3. No insured shall voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

C. Duties in the Event of A "Wrongful Act" That May Result In A "Claim"

If, during the "policy period," you first become aware of a specific "wrongful act" which may reasonably give rise to a future "claim," and during the "policy period" give written notice to us of:

1. The names of any potential claimants and a description of the "wrongful act" which forms the basis of their potential "claim";
2. The identity of the specific insureds allegedly responsible for such specific "wrongful act";
3. The consequences which have resulted or may result from such specific "wrongful act";
4. The nature of the potential monetary damages which may be sought in consequence of such specific "wrongful act"; and
5. The circumstances by which you first became aware of such specific "wrongful act";

Then any "claim" otherwise covered pursuant to this Coverage Form which is subsequently made and which arises out of such "wrongful act" shall be deemed to have been first made and reported to us by you at the time we received such written notice. No coverage is provided for fees and expenses incurred prior to the time such notice results in a "claim."

D. When a "Claim" is Deemed Made

A "claim" shall be deemed made:

1. In the case of a civil, criminal, administrative or regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by the insured of a complaint, indictment, notice of charge or similar document against the insured in such proceeding or arbitration;

2. In the case of an investigation, on the earliest of the date of service upon or other receipt by the insured of a written notice or subpoena from the investigating authority identifying such "insured person" as an individual against whom a formal proceeding may be commenced;
3. In the case of a written demand for monetary damages or non monetary relief, upon the insured's receipt of such written demand.

E. Other Insurance

The **Other Insurance** clause, Section **H.** of the Common Policy Conditions is deleted and replaced with the following:

If any "damages" and "defense expenses" resulting from any "claim" are insured under any other policies, this Coverage Form shall apply only to the extent the "damages" and "defense expenses" exceed the amount paid under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Coverage Form.

F. Section IV. Estates, Legal Representatives and Spouses/Domestic Partners

Section **L.** of the Common Policy Conditions, Transfer Of Your Rights And Duties Under This Policy, is deleted in its entirety and replaced as follows:

The estates, heirs, legal representatives, assigns, spouses and any "domestic partner" of "insured persons" shall be considered insureds under this Coverage Form; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a "claim" arising solely out of their status as such and, in the case of a spouse or "domestic partner," where such "claim" seeks damages from marital community property, jointly held property or property transferred from the "insured person" to the spouse or "domestic partner." No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or "domestic partner." All terms and conditions of this Coverage Form, including without limitation the deductible applicable to "damages" and "defense expenses" incurred by the "insured person" shall also apply to "damages" and "defense expenses" incurred by such estates, heirs, legal representatives, assigns, spouses and "domestic partners."

G. No Action Against Us

1. No action shall be taken against us unless, as a condition precedent, there shall have been full compliance with all the provisions of this Coverage Form nor until the amount of your obligation to pay shall have been finally determined either by final and nonappealable

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judgment against you after trial or by written agreement by you, the claimant and us.

2. No person or organization shall have any right under this Coverage Form to join us a party to any "suit" against you to determine your liability, nor shall we be impleaded by you or your legal representatives in any such "suit."

H. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form those rights are transferred to us. The insured must do nothing after a "claim" is made to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

In no event shall the insured be entitled to recoup from recoveries any amount to satisfy any deductible until after all amounts which we are required to pay or do pay under this Coverage Form are reimbursed to us.

I. Transfer Of Duties When Limit Of Insurance Is Exhausted

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the limit of insurance is likely to be exhausted in the payment of "damages" or "defense expenses," we will notify the first named insured, in writing, to that effect;
2. When the limit of insurance has actually been exhausted by payments of "damages" or "defense expenses," we will:
 - a. Notify the first "named insured" in writing, as soon as practicable, that such limit has been exhausted and that our obligations under this Coverage Form shall be deemed completely fulfilled and extinguished;
 - b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all open "claims" to you; and
 - c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is

completed, provided you are cooperating in completing such transfer.

3. Upon receipt of such notice, you, must:
 - a. Cooperate in the transfer of control of "claims"; and
 - b. Arrange for the defense of such "claim" within such time period as agreed to between you and us. Arrangements for the defense of such "claim" must be made as soon as practicable.
4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of insurance is exhausted. It becomes the your responsibility to arrange defense for such "claim."
5. You will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.
6. The exhaustion of the applicable limit of insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

J. Named Insured Authorization

The insureds agree that the first named insured will act on behalf of all insureds with respect to giving of all notice to us (except notices provided in Section VII. Paragraph B and C), the receipt of notices from us, the payment of the premiums, the receipt of any return premiums that may become due under this Coverage Form, and the acceptance of endorsements.

K. Assignment of Interest

Assignment of interest under this Coverage Form shall not bind us unless its consent is endorsed to this Coverage Form.

L. Common Policy Conditions

Unless otherwise stated in this Coverage Form, all of the terms and conditions of the Businessowners Common Policy Conditions shall be included and incorporated into this Coverage Form.



SINGLE LIMIT OF INSURANCE ENDORSEMENT FOR EMPLOYMENT PRACTICES/FIDUCIARY LIABILITY COVERAGE FORMS

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the following endorsement is applicable to the Employment Practices Liability and Fiduciary Liability Coverage Forms:

SINGLE LIMIT OF INSURANCE/DEDUCTIBLE

A. The Employment Practices/Fiduciary Liability single limit of insurance shown in the Declarations and subject to the provisions of the Employment Practices Liability and Fiduciary Liability Coverage Forms is the total amount we will pay as "damages" and "defense expenses" under both the Employment Practices Liability and Fiduciary Liability Coverage Forms combined, regardless of the number of insureds, "claims" made or persons or entities making "claims" under such Coverage Forms. If "related claims" are subsequently made against the insured and reported to us, all such "related claims," whenever made, shall be considered a single "claim" first made and reported to us within the "policy period" in which the earliest of the "related claims" was first made and reported to us.

B. The Employment Practices/Fiduciary Liability single limit of insurance shown in the Declarations shall be our maximum aggregate limit of insurance for all "damages" and "defense expenses" under the Employment Practices Liability and Fiduciary Liability Coverage Forms combined, regardless of the number of:

1. Insureds;
2. "Claims";
3. "Damages" or "defense expenses" incurred; or
4. Claimants;

Our obligations under both the Employment Practices Liability and Fiduciary Liability Coverage Forms, shall be completely fulfilled and extinguished if the Employment Practices/Fiduciary Liability single limit of insurance is exhausted by payment of "damages" or "defense expenses."

C. We will pay "damages" and "defense expenses" in excess of the EPL Deductible shown on the Declarations, up to the applicable Employment Practices/Fiduciary Liability single limit of insurance.

Example No. 1

EPL Deductible: \$5,000

Employment Practices/Fiduciary Single Limit of Insurance: \$100,000

"Damages" and "Defense Expenses": \$75,000

The EPL Deductible will be subtracted from the amount of "damages" and "defense expenses" in calculating the amount payable:

$\$75,000 - \$5,000 = \$70,000$ Amount Payable

Example No. 2

EPL Deductible: \$5,000

Employment Practices/Fiduciary Single Limit of Insurance: \$100,000

"Damages" and "Defense Expenses": \$120,000

The EPL Deductible will be subtracted from the amount of "damages" and "defense expenses" (\$120,000 - \$5,000 = \$115,000). Since the amount of the "damages" and "defense expenses" minus the EPL Deductible exceeds the Employment Practices/Fiduciary Liability single limit of insurance, the policy will pay the full Employment Practices/Fiduciary Liability Single Limit of Insurance (\$100,000).

D. Subject to Paragraph E. below, we may pay any part or all of the EPL Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the EPL Deductible amount as has been paid by us.

E.. No deductible applies with respect to any "claim" against any "insured person" if you are not permitted to advance "defense expenses" or to indemnify such "insured person" for "damages" by reason of:

1. Financial insolvency; or
2. A good faith determination by you that such payment is not permitted under the broadest construction of applicable law

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EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM

THIS IS A CLAIMS MADE COVERAGE FORM. PLEASE READ ALL PROVISIONS AND CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS. THIS INSURANCE APPLIES ONLY TO "WRONGFUL ACTS" THAT OCCUR BETWEEN THE RETROACTIVE DATE AND THE END OF THE "POLICY PERIOD." THIS INSURANCE APPLIES ONLY TO "CLAIMS" FIRST MADE AGAINST THE INSURED AFTER THE INCEPTION DATE AND BEFORE THE END OF THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD AND REPORTED TO US IN ACCORDANCE WITH THE PROVISIONS OF THIS FORM. UPON TERMINATION OF YOUR POLICY AN AUTOMATIC EXTENDED REPORTING PERIOD WILL BE PROVIDED, AND A SUPPLEMENTAL EXTENDED REPORTING PERIOD WILL BE AVAILABLE.

Various provisions in this Coverage Form restrict coverage. Read the entire Coverage Form carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form the terms "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy." The terms "we," "us" and "our" refer to the Stock Insurance Company named on the Declarations providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section III Definitions.

SECTION I - INSURING AGREEMENTS

A. Coverage

We will pay those sums in excess of the deductible and subject to the limits of liability that the Insured becomes legally obligated to pay as "damages" because of a "claim" resulting from a "wrongful employment practice" provided:

1. The "wrongful employment practice" takes place in the "coverage territory";
2. The "wrongful employment practice" did not occur before the Retroactive Date, if any, shown in the Declarations nor after the end of the "policy period"; and
3. A "claim" arising out of a "wrongful employment practice" is first made against an insured, during the "policy period" or Extended Reporting Period, if applicable and is reported to us in accordance with Section VIII, Conditions, paragraph C, Duties in the event of a "Claim"; and
4. Prior to the inception date of this Coverage Form:
 - a. the Insured did not give notice to a prior insurer of a "related claim";
 - b. the Insured did not give notice to a prior insurer of any such "wrongful employment practice" or "interrelated wrongful employment practice."

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under paragraph 1.D. **-Supplementary Payments**

B. Defense

We have the right and duty to defend all "suits," even if the allegations are groundless, false or fraudulent. We shall have the right to appoint counsel and to make such investigation and defense of a "suit" as we deem necessary. Alternatively we may, at our option, give our written consent to the defense of any such "suit" to the insured. Our obligation to defend any "suit" or pay any "damages" and "defense expenses" for any "claim" shall be completely fulfilled and extinguished if the limit of insurance has been exhausted by payment of "damages" or "defense expenses."

C. Consent To Settle

We shall not settle a "claim" without your written consent. If you refuse to consent to a settlement or compromise recommended by us, and acceptable to the claimant, then the applicable limit of insurance under this Coverage Form shall be reduced to the amount for which the "claim" could have been settled plus all "defense expenses" incurred up to the time we made our recommendation.

D. Supplementary Payments

We will pay, with respect to any "claim" or "suit" we investigate or settle, or any "suit" against an insured we defend all "defense expenses." These payments are included within and reduce the Limits of Insurance.

SECTION II – WHO IS AN INSURED**A.** If you are designated in the Declarations as:

1. A partnership or joint venture, you are an insured. Your partners or members are also insureds.
2. A limited liability company, you are an insured. Your members and managers are also insureds.
3. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are also insureds.

B. Your "employees" are also insureds, unless otherwise excluded in this policy.**C.** Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:

1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the policy period, whichever is earlier; and
2. Does not apply to an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – DEFINITIONS

The following defined words shall have the same meaning throughout this Coverage Form, whether expressed in the singular or the plural.

A. "Claim" means a "suit" or written demand for monetary damages against an insured and made by or on behalf of a natural person who is an "employee" or applicant for employment for a "wrongful employment practice."**B.** "Coverage territory" means:

1. The United States of America (including its territories or possessions) and Puerto Rico; or
2. All parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" on the merits brought in the territory described in Paragraph 1. above or in a settlement of a "claim" that we agree to.

C. "Damages" means sums (including back pay and front pay), settlements, judgments (including any award of pre-judgment and post-judgment interest) for which you are legally obligated to pay on account of a covered "claim." "Damages" shall not include:

1. criminal or civil fines or penalties imposed by law;
2. taxes;
3. liquidated or the multiple portion of any multiplied damages, amounts which may be deemed uninsurable under the law pursuant to which this policy shall be construed;
4. compensation earned by the claimant in the course of employment but unpaid by the Insured, including salary, wages, commissions, bonus or incentive compensation;
5. any amounts for which an Insured is liable due to breach of any written contract of employment;
6. amounts representing medical or insurance premiums or benefit claim payments;
7. any amount for which an Insured is absolved from payment by reason of any covenant, agreement or court order; or
8. future salary, wages or commissions of a claimant who is hired, promoted or reinstated to employment pursuant to a settlement of, order in, or other resolution of any "claim"

Notwithstanding anything to the contrary above, "damages" shall include punitive or exemplary damages, if insurable, to the fullest extent permitted by any applicable law. Where you reasonably determine that punitive, exemplary or multiple damages are insurable under any applicable law, we shall not challenge that determination of insurability.

D. "Defense expenses" means all fees charged by attorneys designated by us, or by you, with our written consent and all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a "claim" if incurred by us or you with our written consent, including the costs of appeal, attachment or similar bonds. We have no obligation to provide such bonds. "Defense Expenses" shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, and employees of yours.**E.** "Domestic Partner" means any person qualifying as such under any federal, state or local laws or under your employee benefit plans.**F.** "EEOC Proceeding" means an investigative proceeding before the Equal Employment Opportunity Commission or an adjudicatory or investigative proceeding before any similar federal, state or local government body whose purpose is to address "wrongful employment practices."**G.** "Employee" means all of your past, present or future full-time or part-time employees, including seasonal and temporary employees and employees leased or loaned to you. "Employee" does not include an independent contractor.

- H. **"ERISA or any Similar Act"** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada or their states, territories or provinces or any other jurisdiction anywhere in the world.
- I. **"Executive officer"** means your chairperson, chief executive officer, president, chief financial officer and in-house general counsel, and, the director of human resources or equivalent position;
- J. **"Insured Persons"** means all of those natural person insureds who are your partners, members, managers, "executive officers," directors and "employees"
- K. **"Interrelated Wrongful Employment Practices"** means any "wrongful employment practices" which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
- L. **"Policy Period"** means the period from the effective date of this Coverage Form to the expiration date stated on the Declarations, or its earlier cancellation date.
- M. **"Pollutants"** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. "Pollutants" also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products or any noise.
- N. **"Related claims"** mean all claims arising out of a single "wrongful employment practice" or arising out of "interrelated wrongful employment practices."
- O. **"Suit"** means a formal civil, administrative, or regulatory proceeding (including an "EEOC Proceeding") or investigation or an arbitration against an insured, including any appeal therefrom.
- P. **"Wrongful Employment Practice"** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by the "insured persons" in their capacity as such or by you constituting or related to
 - 1. Wrongful dismissal or discharge or termination of employment, whether actual or constructive;
 - 2. Employment-related misrepresentation;
 - 3. Violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
 - 4. Sexual harassment or other unlawful harassment in the work place;
 - 5. Wrongful deprivation of career opportunity or failure to employ or promote;
 - 6. Wrongful discipline of "employees";
 - 7. Retaliation against "employees" for the exercise of any legally protected right or for engaging in any legally protected activity;
 - 8. Negligent evaluation of "employees";
 - 9. Failure to adopt adequate workplace or employment policies and procedures;
 - 10. Employment-related defamation or invasion of privacy; or
 - 11. Employment-related wrongful infliction of emotional distress.

SECTION IV- EXTENDED REPORTING PERIOD

- A. If the first Named Insured cancels or non-renews this Coverage Form or if we decide not to offer any renewal terms for this Coverage Form, the first Named Insured shall have the right to purchase, upon payment of an additional premium not to exceed 200% of the annual premium for this coverage, an extension of this Coverage Form for a period of 12 months immediately following the end of the "policy period," but only with respect to any "wrongful employment practice" committed before the earlier of the end of the "policy period";
This period shall be referred to as the Extended Reporting Period.
- B. As a condition precedent to the right to purchase the Extended Reporting Period, the total premium for this Coverage Form must have been paid. The right to purchase the Extended Reporting Period shall end unless we receive written notice and full payment of the premium for such period within 30 days after the end of the "policy period."
- C. If the Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by us to return any portion thereof.
- D. There is no separate or additional limit of insurance for the Extended Reporting Period.

SECTION V - LIMIT OF INSURANCE

Your rights and ours are stated in the attached Single Limit of Insurance Endorsement For Employment Practices/Fiduciary Liability Coverage Forms

SECTION VI - EXCLUSIONS**A. Exclusions Applicable to Damages and Defense Expenses**

We will not be liable to pay any "damages" or "defense expenses" under this Coverage Form in connection with any "claim" made against an insured:

1. Bodily Injury/Property Damage

For any actual or alleged bodily injury (including death), sickness, disease of any person, or damage to or destruction of any tangible property including loss of use except that this exclusion shall not apply to allegations of emotional distress, humiliation or mental anguish;

2. Violation of Law

Based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of:

- a. (i) "ERISA or any Similar Act," (ii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, or (iii) any other federal, state or local statutory law or common law anywhere in the world governing any employee benefit program, policy, plan or arrangement of any type, including but not limited to laws governing retirement or pension benefit programs, welfare plans, insurance plan, employee stock option ownership or employee stock purchase plans or deferred compensation programs;
- b. Any law governing workers' compensation, unemployment insurance, social security, disability benefits or any other similar federal, state or local statutory or regulatory law or common law anywhere in the world;
- c. The Occupational Safety and Health Act of 1970 (OSHA), as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing workplace safety and health;
- d. The Fair Labor Standards Act (except the Equal Pay Act), as amended, or any other federal, state or local statutory law or common law anywhere in the world governing wage, hour and payroll policies;
- e. The Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), as amended, or any other federal, state or local statutory or regulatory law or common

law anywhere in the world governing an employer's obligation to notify or bargain with others in advance of any facility closing or mass layoff.

- f. The National Labor Relations Act, as amended, or any other federal, state or local statutory or regulatory law or common law anywhere in the world governing employees' rights and the employers duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts or collective activities.

However, this exclusion shall not apply to any "claim" alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

3. Pollution

Based upon, directly or indirectly arising out of or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, "pollutants"; any request, direction or order that any of the insureds test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of "pollutants" or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person resulting from any of the aforementioned matters. However, this exclusion shall not apply to any "claim" alleging retaliation or wrongful dismissal or discharge or termination of employment whether actual or constructive, because of a claimant's exercise of a right pursuant to any such laws;

4. Prior Wrongful Acts of Subsidiaries

For:

- (a) Any "wrongful employment practice" by an insured of any of your subsidiaries, or by such subsidiary occurring before the date such entity became a subsidiary, or
- (b) Any other "wrongful employment practice," whenever occurring, which, together with a "wrongful employment practice" described in (a) above, would constitute "interrelated wrongful employment practices."

5. Assumed Liability

Based upon, directly or indirectly arising out of or in any way involving the insured's assumption of the liability of others in any oral or written contract or agreement, unless such liability would have attached to an Insured in the absence of such agreement;



B. Exclusions Applicable to Non-Monetary Relief

We will not be liable to pay any "damages" under this Coverage Form that represent

1. The cost of any non-monetary relief, including without limitation any costs associated with compliance with any injunctive relief of any kind or nature imposed by any judgment or settlement;
2. The costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws;
3. Amounts determined to be owing under an express contract with or express severance obligation of yours; however, this exclusion shall not apply if and to the extent that liability would have attached to such insured in the absence of the express contract with or obligation of yours ; or
4. Medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had you provided the claimant with a continuation or conversion of insurance.

SECTION VII – CONDITIONS**A. Bankruptcy**

Bankruptcy or insolvency of the insured or of the "insured's" estate will not relieve us of our obligations under this policy.

B. Duties In The Event Of A "Claim"

1. If, during the "policy period" or any Extended Reporting Period, if applicable, any "claim" is first made against the "insured," the insured shall, as a condition precedent to our obligations under this Coverage Form, give us written notice as soon as practicable but in no event later than ninety (90) days after the end of the "policy period" or the Extended Reporting Period, if applicable.
2. You must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - b. Authorize us to obtain records and other information; and
 - c. Cooperate with us in the investigation or settlement of the "claim" or defense of the "suit."
3. No insured shall voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

C. Duties in the Event of A "Wrongful Employment Practice" That May Result In A "Claim"

If, during the "policy period," you first become aware of a specific "wrongful employment practice" which may reasonably give rise to a future "claim," and during the "policy period" give written notice to us of:

1. The names of any potential claimants and a description of the "wrongful employment practice" which forms the basis of their potential "claim";
2. The identity of the specific insureds allegedly responsible for such specific "wrongful employment practice";
3. The consequences which have resulted or may result from such specific "wrongful employment practice";
4. The nature of the potential monetary damages which may be sought in consequence of such specific "wrongful employment practice"; and
5. The circumstances by which you first became aware of such specific "wrongful employment practice";

Then any "claim" otherwise covered pursuant to this Coverage Form which is subsequently made and which arises out of such "wrongful employment practice" shall be deemed to have been first made and reported to us by you at the time we received such written notice. No coverage is provided for fees and expenses incurred prior to the time such notice results in a "claim."

D. When a "Claim" is Deemed Made

A "claim" shall be deemed made:

1. In the case of a civil, administrative or regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by the insured of a complaint, or similar document against the insured in such proceeding or arbitration;
2. In the case of an investigation, on the earliest of the date of service upon or other receipt by the insured of a written notice or subpoena from the investigating authority identifying such "insured person" as an individual against whom a formal proceeding may be commenced;
3. In the case of a written demand for monetary damages, upon the insured's receipt of such written demand.

E. Other Insurance

The **Other Insurance** clause, Section H. of the Common Policy Conditions is deleted and replaced with the following:

If any "damages" and "defense expenses" resulting from any "claim" are insured under any other policies, this Coverage Form shall apply only to the extent the "damages" and "defense expenses" exceed the amount paid under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Coverage Form.

F. Section IV. Estates, Legal Representatives and Spouses/Domestic Partners

Section L. of the Common Policy Conditions, Transfer Of Your Rights And Duties Under This Policy, is deleted in its entirety and replaced as follows:

The estates, heirs, legal representatives, assigns, spouses and any "domestic partner" of "insured persons" shall be considered insureds under this Coverage Form; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a "claim" arising solely out of their status as such and, in the case of a spouse or "domestic partner," where such "claim" seeks damages from marital community property, jointly held property or property transferred from the "insured person" to the spouse or "domestic partner." No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or "domestic partner." All terms and conditions of this Coverage Form, including without limitation the deductible applicable to "damages" and "defense expenses" incurred by the "insured person" shall also apply to "damages" and "defense expenses" incurred by such estates, heirs, legal representatives, assigns, spouses and "domestic partners."

G. No Action Against Us

1. No action shall be taken against us unless, as a condition precedent, there shall have been full compliance with all the provisions of this Coverage Form nor until the amount of your obligation to pay shall have been finally determined either by final and nonappealable judgment against you after trial or by written agreement by you, the claimant and us.
2. No person or organization shall have any right under this Coverage Form to join us a party to any "suit" against you to determine your liability, nor shall we be impleaded by you or your legal representatives in any such "suit."

H. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Form those rights are transferred to us. The insured must do nothing after a "claim" is made to impair them. At our

request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

In no event shall the insured be entitled to recoup from recoveries any amount to satisfy any deductible until after all amounts which we are required to pay or do pay under this Coverage Form are reimbursed to us.

I. Transfer Of Duties When Limit Of Insurance Is Exhausted

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the limit of insurance is likely to be exhausted in the payment of "damages" or "defense expenses," we will notify the first named insured, in writing, to that effect;
2. When the limit of insurance has actually been exhausted by payments of "damages" or "defense expenses," we will:
 - a. Notify the first named insured in writing, as soon as practicable, that such limit has been exhausted and that our obligations under this Coverage Form shall be deemed completely fulfilled and extinguished;
 - b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all open "claims" to you; and
 - c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "claims" until such transfer is completed, provided you are cooperating in completing such transfer.
3. Upon receipt of such notice, you must:
 - a. Cooperate in the transfer of control of "claims"; and
 - b. Arrange for the defense of such "claim" within such time period as agreed to between you and us. Arrangements for the defense of such "claim" must be made as soon as practicable.
4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of insurance is exhausted. It becomes your responsibility to arrange defense for such "claim."
5. You will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.
6. The exhaustion of the applicable limit of insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

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J. Named Insured Authorization

The insureds agree that the first named insured will act on behalf of all insureds with respect to giving of all notice to us (except notices provided in Section **VII**, Paragraph **B** and **C**), the receipt of notices from us, the payment of the premiums, the receipt of any return premiums that may become due under this Coverage Form, and the acceptance of endorsements.

K. Assignment of Interest

Assignment of interest under this Coverage Form shall not bind us unless its consent is endorsed to this Coverage Form.

L. Common Policy Conditions

Unless otherwise stated in this Coverage Form, all of the terms and conditions of the Business Owners Common Policy Conditions Endorsement shall be included and incorporated into this Coverage Form.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONCURRENT CAUSATION, EARTH MOVEMENT & WATER EXCLUSION CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

A. Section **B. EXCLUSIONS** the first paragraph of **B.1.** is deleted in its entirety and replaced by the following:

1. We will not pay for loss or damage directly or indirectly caused by or resulting from any of the following regardless of: (a) the causes of the excluded event; or (b) other causes of the loss; or (c) any other causes or events, whether or not insured under this Policy, which may have contributed concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurred suddenly or gradually, involved isolated or widespread damage, arose from natural or external forces or acts or omissions of man, or occurred as a result of any combination of any of the following:

B. Section **B. EXCLUSIONS** exclusion **B.1.b. Earth Movement** deleted in its entirety and replaced by the following:

b. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting, including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

Also, Earth Movement, as described in (1) through (4) applies to acts or omissions of man or any other cause or combination of causes listed above. But if Earth Movement, as described in (1) through (4) above, results in fire or explosion, and such resulting loss or damage is not otherwise excluded, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic

Action, and such resulting loss or damage is not otherwise excluded, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168 hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the Covered Property.

C. Section **B. EXCLUSIONS** exclusion **B.1.g. Water** is deleted in its entirety and replaced by the following:

g. Water

- (1) "Flood," surface water, waves, tides, tidal waves, overflow of any body of water, including release of water held by a dam, levy or dike or by a water or flood control device, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if water, as described in g.(1) through g.(4) above, results in fire, explosion, or sprinkler leakage not otherwise excluded, we will pay for the loss or damage caused by that fire, explosion, or sprinkler leakage.

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- D. Wherever the word "flood" appears in the Commercial Property Coverage Part, it is amended to a defined term, as per the following, and is added to the Definitions section of each applicable coverage part.

"Flood" means a general and temporary condition of partial or complete inundation of normally dry land

areas, whether caused by natural occurrences, acts or omissions of man or any other cause or combination of causes.

All flooding in a continuous or protracted event will constitute a single flood.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY THEFT/RECOVERY SERVICES ENDORSEMENT

IDENTITY THEFT/RECOVERY CASE MANAGEMENT SERVICE AND EXPENSE REIMBURSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following changes apply to the **Businessowners Special Property Coverage Form**:

A. IDENTITY RECOVERY COVERAGE

The following is added to **Paragraph 5. Additional Coverages**:

We will provide the Case Management Service and Expense Reimbursement Coverage indicated below if all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the policy period for which this Identity Recovery coverage is applicable; and
3. Such "identity theft" is reported to us as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

If all three of the requirements listed above have been met, then we will provide the following to the "identity recovery insured":

1. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft"; and

2. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft."

This coverage is additional insurance.

B. EXCLUSIONS

The following additional exclusions are added to **Section B. - Exclusions** and apply to this coverage:

We do not cover loss or expense arising from any of the following:

1. Theft of a professional or business identity.
2. Any fraudulent, dishonest or criminal act by an "identity recovery insured," or any person aiding or abetting an "identity recovery insured," or by any

authorized representative of an "identity recovery insured," whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an "insured" who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

3. Loss other than "identity recovery expenses."

4. An "identity theft" that is first discovered by the "identity recovery insured" prior to or after the policy period for which this coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.

5. An "identity theft" that is not reported to us within 60 days after it is first discovered by the "identity recovery insured."

6. An "identity theft" that is not reported in writing to the police.

C. LIMITS OF INSURANCE

1. Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement coverage.

2. Expense Reimbursement coverage is subject to a limit of \$25,000 annual aggregate per "identity recovery insured." Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to any one "identity recovery insured" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

- a. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to the Expense Reimbursement coverage limit.

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- b. Lost Wages and Child and Elder Care Expenses as provided under paragraphs e. and f. of the definition of "identity recovery insured" are jointly subject to a sublimit of \$250. per day, not to exceed \$5,000. in total. This sublimit is part of, and not in addition to the Expense Reimbursement coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."
- c. Mental Health Counseling as provided under paragraph g. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to the Expense Reimbursement coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured."

D. DEDUCTIBLE

Case Management Service is not subject to a deductible.

Expense Reimbursement coverage is subject to a deductible of \$250. Any one "identity recovery insured" shall be responsible for only one deductible under this Identity Recovery Coverage during any one policy period.

E. CONDITIONS

The following additional conditions are added to **Section F. – Commercial Property Conditions** and apply to this coverage:

1. Assistance and Claims

For assistance, the "identity recovery insured" should call the **Identity Recovery Help Line at 1-877-CNA-ASAP (1-877-262-2727) CNA Claims.**

The Identity Recovery Help Line can provide the "identity recovery insured" with:

- a. Information and advice for how to respond to a possible "identity theft"; and
- b. Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement Coverage.

In some cases, we may provide Case Management services at our expense to an "identity recovery insured" prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement coverage, the "identity recovery insured" must send to us within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

2. Services

The following conditions apply as respects any services provided by us or our designees to any "identity recovery insured" under this endorsement:

- a. Our ability to provide helpful services in the event of an "identity theft" depends on the cooperation, permission and assistance of the "identity recovery insured."
- b. All services may not be available or applicable to all individuals. For example, "identity recovery insureds" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
- c. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

3. Computer Security

It is the responsibility of each "identity recovery insured" to use and maintain his or her computer system security, including personal firewalls, anti-virus software and proper disposal of used hard drives.

F. DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added to **Section G. – Property Definitions**:

- 1. "Identity Recovery Case Manager" means one or more individuals assigned by us to assist an "identity recovery insured" with communications we deem necessary for re-establishing the integrity of the personal identity of the "identity recovery insured." This includes, with the permission and cooperation of the "identity recovery insured," written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
- 2. "Identity Theft" means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a/ or any other method of identifying a business activity.

"Identity theft" does not include the unauthorized use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

3. **"Identity Recovery Expenses"** means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an "identity theft":

- a. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."
- b. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
- c. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."

d. Legal Costs

Fees and expenses for an attorney approved by us for:

- (1) Defending any civil suit brought against an "identity recovery insured" by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft"; and
- (2) Removing any civil judgment wrongfully entered against an "identity recovery insured" as a result of the "identity theft."

e. Lost Wages

Actual lost wages of the "identity recovery insured" for time reasonable and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonable have been done during non-working hours.

f. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonable and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."

g. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured."

4. **"Identity Recovery Insured"** means the following:

- a. The owner of the entity insured under this policy who meets any of the following criteria:
 - (1) A sole proprietor of the insured entity;
 - (2) A partner in the insured entity; or
 - (3) An individual having an ownership position of 20% or more of the insured entity.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
TENANTS IMPROVEMENTS AND BETTERMENTS FOR
BUILDING COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to the Businessowners Special Property Coverage Form:

1. Paragraph **A.1.a.(9) and (10)** are added to the Businessowners Special Property Coverage Form as follows:

(9) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy or lease but do not own; and

(b) You acquired or made at your expense but are not permitted to remove.

(10) Your leasehold interest in improvements and betterments which are not damaged or destroyed, but which you lose because your lease is cancelled by the lessor as a result of damage to the building from a Covered Cause of Loss. When this occurs, we will calculate the value of your interest in the improvements and betterments as though they had been damaged or destroyed and not repaired or replaced promptly, as provided in the Valuation Loss Condition.

2. Paragraphs **A.1.b. (3) and (5)** of the Businessowners Special Property Coverage Form are deleted and do not apply.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHOICE EXTRA ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESS INCOME AND EXTRA EXPENSE

SUMMARY OF COVERAGES AND LIMITS

The following is a summary of the Coverages and Limits provided by this Choice Extra Endorsement. No coverage is provided by this summary. Please refer to the pertinent provisions herein to review coverages and limits.

Coverage	Limit
Accounts Receivable	Additional \$100,000
Back up of Sewer & Drains	Incl. in Blanket Limit of \$250,000
Brands or Labels	Up to Business Personal Property Limit
Debris Removal	Incl. in Blanket Limit of \$250,000
Extended Business Income	Additional 90 days
Business Income – Mobile Operations Vehicle	\$75,000
Business Income – Newly Acquired Constructed Property	Additional \$250,000
Business Income – Dependent Property	Additional \$15,000
Business Personal Property at Unnamed Locations	\$25,000
Claim Data Expense	Additional \$5,000
Computer Fraud	\$5,000
Deferred Payments	\$15,000
Electronic Data Processing Equipment (On Premises)	Incl. in Blanket Limit of \$250,000
Electronic Data Processing (Off Premises)	Additional \$25,000
Emergency Management	\$25,000
Emergency Vacating Expenses	\$10,000
Employee Dishonesty	Incl. in Blanket Limit of \$250,000
Fine Arts	Incl. in Blanket Limit of \$250,000
Franchise Agreement – Property Upgrade Extension	Up to \$100,000
Ingress/Egress	\$50,000
Limited Building Coverage – Tenant Obligation	\$5,000
Lost Key Consequential Loss	\$500
Newly Acquired or Constructed Business Personal Property	Additional \$250,000
Ordinance or Law – Demolition & Increased Cost of Construction	Incl. in Blanket Limit of \$250,000
Ordinance or Law – Increased Period of Restoration	Additional \$25,000
Outdoor Trees, Shrubs, Plants and Lawns	Incl. in Blanket Limit of \$250,000
Outdoor Signs	Incl. in Blanket Limit of \$250,000
Spoilage	Incl. in Blanket Limit of \$250,000
Unauthorized Business Credit/Debit Card Use	\$5,000
Utility Services – Direct Damage	\$10,000
Utility Services – Time Element	\$10,000
Valuable Papers and Records	Incl. in Blanket Limit of \$250,000

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The **BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM, BUSINESS INCOME AND EXTRA EXPENSE, ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS** are changed as follows:

1. The following **Additional Coverage** is added:

a. **Blanket Coverage Limit of Insurance**

We will pay up to \$250,000 in any one occurrence as a Blanket Coverage Limit of Insurance to apply at each described premises, unless a higher limit is shown in the Declarations, to apply in any one occurrence for the coverages described in this section, items 1-10, caused by a Covered Cause of Loss.

You may apportion this Limit among these coverages as you choose.

This coverage – Blanket Coverage Limit of Insurance is in addition to any other Limits of Insurance that may be provided by this policy for these coverages.

If specific coverage is shown in the Declarations as applying to any coverages or property also subject to this Blanket Coverage Limit of Insurance, then the Blanket Coverage Limit of Insurance will apply in excess of the specific limits of insurance and any deductible applying to them.

1. **Back-Up of Sewers & Drains**

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

a. We will pay for loss or damage to covered property caused by water that backs up or overflows from a sewer, drain, sump, or from water that overflows due to the failure of a sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area, subject to the following limitations:

1. We will not pay for loss or damage under this Additional Coverage caused by the emanation of water from a sewer or drain, sump, sump pump, sump pump well, or any other type of system designed to remove subsurface water from the foundation area, that itself caused by, or is the result of:

(i) "Flood," surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(ii) Mudslide or mudflow.

2. The most we will pay for direct physical damage is the limit of insurance shown in the Declarations for Sewer or Drain Back Up.

b. With respect to otherwise covered Business Income and Extra Expense, loss or damage to covered property caused by water that backs up from a sewer or drain, will be considered a Covered Cause of Loss.

c. Exclusion **B.1.g. (3)** of the Businessowners Special Property Coverage Form does not apply to this Additional Coverage.

2. **Debris Removal**

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

a. We will pay your expense to remove debris of Covered Property, other than outdoor trees, shrubs, plants and lawns as described in the Outdoor Trees, Shrubs, Plants and Lawns Coverage Extension.

This coverage is subject to the provisions of the Debris Removal Coverage Form SB-146806.

3. **Electronic Data Processing**

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

a. We will pay for loss or damage to your Electronic Data Processing Equipment (Electronic Data and Media) at the described premises, as shown below:



1. Direct physical loss of or damage to your "electronic data processing equipment" caused by or resulting from a Covered Cause of Loss; and
2. Direct physical loss of or damage to your "electronic media and data" caused by or resulting from a Covered Cause of Loss.

This coverage is subject to the provisions of the Electronic Data Processing Equipment and Electronic Media and Data (EDP Coverage Form) SB-146827.

4. Employee Dishonesty

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. We will pay for loss of or damage to Business Personal Property resulting directly from "Employee Dishonesty."

We will pay for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

This coverage is subject to the provisions of the Employee Dishonesty Coverage Form SB-146807.

5. Fine Arts

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. We will pay for direct physical loss of or damage to "fine arts" which are owned by:

1. You; or
2. Others and in your care, custody or control;

Caused by or resulting from a Covered Cause of Loss, including while on exhibit, or in transit, anywhere within the Coverage Territory.

This coverage is subject to the provisions of the Fine Arts Coverage Form SB-146809.

6. Ordinance or Law

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for:
 1. Demolition cost, meaning the cost to demolish and clear the site of undamaged parts of the same building as a consequence of enforcement of the minimum requirements of any ordinance or law that required demolition of such undamaged property; and
 2. The increased cost of construction, meaning the increased cost to repair, rebuild or reconstruct the property as a consequence of enforcement of the minimum requirements of any ordinance or law. This increased cost of construction coverage applies only if:
 - a. The building is insured for replacement cost;
 - b. The building is repaired, rebuilt or reconstructed; and
 - c. The repaired, rebuilt or reconstructed building is intended for similar occupancy as the current building, unless otherwise required by zoning or land use ordinance or law.

This coverage is subject to the provisions of the Ordinance or Law Coverage Form SB-146814.

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**7. Outdoor Signs**

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. We will pay for direct physical loss of or damage to outdoor signs attached to the building or on or within 1,000 feet of the described premises.

This coverage is subject to the provisions of the Outdoor Signs Coverage Form SB-146835.

8. Outdoor Trees, Shrubs, Plants and Lawns

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. We will pay for direct physical loss of or damage to outdoor trees, shrubs, plants (other than "stock" of trees, shrubs or plants) and lawns located at the described premises caused by or resulting from a Covered Cause of Loss).

This coverage is subject to the provisions of the Outdoor Trees, Shrubs, Plants and Lawns coverage form SB-146815.

9. Spoilage Coverage

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

- a. We will pay for direct physical loss of or damage to Perishable Stock caused by or resulting from a covered cause of loss described in Paragraph 2. below and not excluded in Paragraph 3. below.

- 1. This Coverage Extension does not apply to Perishable Stock while located:

- a. On Buildings;
- b. In the open; or
- c. In vehicles.

- 2. With respect to this Coverage Extension, covered cause of loss means the following:

- a. Breakdown or Contamination, meaning:

- 1. Change in temperature or humidity resulting from mechanical breakdown or failure of refrigerating, cooling or humidity control apparatus or equipment, only while such equipment or apparatus is at the described premises; or
- 2. Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described premises shown in the schedule; or

- b. Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

- 3. The following exclusions apply to this Coverage Extension:

- a. We will not pay for loss or damage caused directly or indirectly by any of the following, regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- 1. Manual disconnecting of any refrigeration, cooling, heating or humidity control system from the source of electric power;
- 2. Terminating of electric power due to throwing or turning off any switch or other device usual to the shutting off of electric power, on the premises shown in the schedule above; or
- 3. Intentional decision of any electric utility company or other source of electric power not to provide sufficient power or the inability of such company or source to provide sufficient



power, due to lack of fuel, governmental order or lack of generating capacity to mthe demand.

- b. In addition, the following exclusions, found in the Businessowners Special Property Coverage Form, also apply to this coverage extension:

- (1) Paragraph **B.1.b.** Earth Movement;
- (2) Paragraph **B.1.c.** Governmental Action;
- (3) Paragraph **B.1.d.** Nuclear Hazard;
- (4) Paragraph **B.1.f.** War and Military Action;
- (5) Paragraph **B.1.g.** Water; and
- (6) Paragraph **B.1.h.** Neglect.

No other exclusions in Paragraph **B.** Exclusions apply to this Coverage Extension. However, if any exclusions are added by endorsement to this Policy, such exclusions will apply to this Coverage Extension.

- c. With respect to this Coverage Extension, Perishable Stock means personal property;

1. Maintained under controlled conditions for its preservation; and
2. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

- d. Under this Coverage Extension, the following coverages also apply:

1. Claim Mitigation Expense

We will pay the reasonable expenses you incur to prevent or reduce loss or damage to the extent that such loss or damage is reduced, but such payment will not increase the applicable Limit of Insurance.

2. Clean-up and Disposal

We will pay your expenses to clean up and dispose of spoiled Covered Property. Payment for Clean-up and Disposal is included within the Blanket Limit of Insurance shown in Paragraph **1.a.** above.

- e. With respect to otherwise covered Business Income and Extra Expense, loss or damage to covered property caused by Spoilage will be considered a Covered Cause of Loss.
- f. The most we will pay for loss or damage under this Coverage Extension in any one occurrence, and any applicable Business Income and/or Extra Expense loss that results, is the Blanket Limit of Insurance shown in Paragraph **1.a.** above.

10. Valuable Papers

Within the Blanket Coverage limit of Insurance, we will pay for loss or damage to covered property as shown below:

We will pay for direct physical loss of or damage to "valuable papers and records" that:

- a. You own; or
 - b. Are owned by others, but in your care, custody or control;
- caused by or resulting from a Covered Cause of loss.

This coverage is subject to the provisions of the Valuable Papers Coverage Form SB-146838.

2. The following **Additional Coverages** are changed:

- a. The limit applicable to the Additional Coverage – **Claim Data Expense** referenced in Paragraph **3.** of the Claim Data Expense coverage form is increased by \$5,000.





- b. With respect to **Extended Business Income**, the time frame referenced in Paragraph 3.b.(2) of the Business Income and Extra Expense coverage form is increased by an additional 90 consecutive days.
 - c. The limit applicable to the Additional Coverage – **Newly Acquired or Constructed Property for Business Personal Property** referenced in Paragraph 2.b. of the Newly Acquired or Constructed Property coverage form, is increased by \$250,000.
 - d. With respect to the Additional Coverage – **Ordinance or Law**, coverage is extended to include tenant's improvements and betterments as described in Paragraph A.1.b.(3) of the Businessowners Special Property Coverage form, if:
 - 1. You are a tenant; and
 - 2. A limit of Insurance is shown in the Declarations for Business Personal Property at the described premises.
3. The following **Additional Coverages** are added:
- a. **Deferred Payments**

We will reimburse you for payments you are unable to collect due to direct physical loss or damage resulting from a Covered Cause of Loss to Covered Property sold by you on an installment or other deferred payment basis after it has been delivered to your customer or while still at one of your covered premises. The most we will pay under this Additional Coverage is the lesser of your financial interest in such property or \$15,000 in any one occurrence.
 - b. **Lost Key Consequential Loss**
 - 1. We will pay for consequential loss to keys and locks if a master or grand master key is lost or damaged from a Covered Cause of Loss. We will pay for:
 - a. The actual cost of keys, and
 - b. Adjustment of locks to accept new keys, or
 - c. If required, new locks including cost of their installation.
 - 2. Loss or damage must be caused by or result from a Covered Cause of Loss including mysterious disappearance.
 - 3. The most we will pay for loss or damage under this Additional Coverage is \$500 at each described premises. A deductible does not apply.
 - c. **Unauthorized Business Card Use**

We will pay for your loss of money or charges and costs you incur that result directly from the unauthorized use of credit, debit or charge cards issued in your business name, including:

 - 1. Fund transfer cards;
 - 2. Charge plates; or
 - 3. Telephone cards.

The most we will pay under this Additional Coverage in any one occurrence is \$5,000.
 - d. **Utility Services – Direct Damage**
 - 1. We will pay for loss of or damage to Covered Property caused by the interruption of services to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following Property not on the described premises:
 - a. "Water Supply Services";
 - b. "Communication Supply Services"; or
 - c. "Power Supply Services."

For the coverage provided with this endorsement, "Communication Supply Services" and "Power Supply Services" includes overhead transmission lines.



2. The most we will pay for loss or damage under this Additional Coverage in any one occurrence is \$10,000 at each described premises.
3. Payments under this Additional Coverage are subject to and not in addition to the applicable Limit of Insurance.
4. The following **Coverage Extensions** are changed:
 - a. The limits applicable to the Coverage Extension – **Accounts Receivable** are changed as follows:
 1. The limit applicable to records of accounts receivable while in transit or at a premises other than the described premises is increased by \$100,000.
 2. The limit applicable to records of accounts receivable at each described premises is increased by \$100,000.
 - b. The limit applicable to the Coverage Extension – **Business Income and Extra Expense From Dependent Property** is increased by \$15,000.
 - c. The limit applicable to the Coverage Extension – **Business Income and Extra Expense – Newly Acquired Premises** is increased by \$250,000.
 - d. The limit of insurance set forth in paragraph 6. of the **Electronic Data Processing Equipment** and Electronic Media and Data Coverage Extension is deleted and replaced with the following:
 The most we will pay under this Coverage Extension for all direct physical loss of or damage to "electronic data processing equipment" and "electronic media and data" (combined) in any one occurrence while in transit or at a premises other than the described premises is increased by \$25,000.
 - e. The limit applicable to the Coverage Extension – **Ordinance or Law – Increased Period of Restoration** is increased by \$25,000.
5. The following **Coverage Extensions** are added:

a. **Brands or Labels**

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or part of the property at an agreed or appraised value. If so, you may:

- (1) Stamp the word Salvage on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
- (2) Remove the brands and labels, if doing so will not physically damage the merchandise or its containers to comply with the law.

We will pay reasonable costs you incur to perform the activity described in Paragraphs (1) and (2) above.

The most we will pay for these costs and the value of the damaged property under this Coverage Extension is the Business Personal Property Limit shown in the Declarations.

Payments under this Coverage Extension are subject to and not in addition to the limits of insurance.

b. **Business Income – Mobile Operations Vehicle**

1. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain due to the necessary "suspension" of your "Mobile Operations" during the "period of restoration." The "suspension" must be caused by direct physical loss of or damage to a "Mobile Operations Vehicle." The loss or damage must be caused by or result from any of the following:

- a. Fire;
- b. Lightning;
- c. Explosion;
- d. Theft;
- e. Windstorm or Hail;





- f. Vandalism;
 - g. Collision with another object;
 - h. Overturn; or
 - i. Sinking, burning, collision or derailment of any conveyance transporting a "Mobile Operations Vehicle."
2. With respect to this Coverage Extension:
 - a. "Mobile Operations Vehicle" means a land motor vehicle, trailer or semi-trailer that is designed for travel on public roads and:
 1. Specifically fitted to carry "stock"; or
 2. Specifically equipped to provide your services; and
 - b. "Mobile Operations" means your business activities away from the described premises involving the use of a "Mobile Operations Vehicle."
 3. With respect to this Coverage Extension, the "period of restoration":
 - a. Begins 24 hours after the time of direct physical loss of or damage to a "Mobile Operations Vehicle" caused by or resulting from a cause of loss that is described in Paragraph 1 above; and
 - b. Ends on the date when such "Mobile Operations Vehicle" should be repaired or replaced with reasonable speed and similar quality.
 4. We will not pay under this Coverage Extension for expenses to rent any land motor vehicle, trailer or semi-trailer that is used as a substitute for a "Mobile Operations Vehicle."
 5. With respect to this Coverage Extension, the amount of Business Income loss will be based on:
 - a. The Net Income of your "Mobile Operations" before the direct physical loss or damage occurred;
 - b. The operating expenses, including payroll expenses, necessary to resume "Mobile Operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - c. Other relevant sources of information including:
 - (1) Your financial records and accounting procedures;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens or contracts.
 6. We will reduce the amount of your Business Income loss to the extent you can resume your "Mobile Operations," in whole or in part, by using any land motor vehicle, trailer or semi-trailer as a substitute for a "Mobile Operations Vehicle."
 7. If you do not resume your "Mobile Operations" or do not resume your "Mobile Operations" as quickly as possible, we will pay based on the length of time it would have taken to resume your "Mobile Operations" as quickly as possible.
 8. The most we will pay for loss of Business Income under this Coverage Extension for each "Mobile Operations Vehicle" in any one occurrence is \$75,000.
 9. However, the most we will pay for loss of Business Income under this coverage extension, in any one occurrence, regardless of the number of "Mobile Operations Vehicles" involved, is \$200,000.
- c. Business Personal Property at Unnamed Locations**
1. When the Declarations show that you have coverage for Business Personal Property at the described premises, you may extend that insurance to apply to loss or damage to Business Personal Property at locations not identified in the Declarations, including residences of employees:
 - a. Immediately for Business Personal Property at leased storage locations; or



- b. After 60 consecutive days for Business Personal Property at all other Unnamed Locations, including residences of employees.
- 2. This Coverage Extension does not apply to:
 - a. "Money," "securities," "valuable papers and records" or accounts receivable; or
 - b. Property while in the care of the United States Postal Service; rented or leased to others, or after delivery to customers.

The most we will pay under this Coverage Extension is \$25,000 at any location not described in the Declarations including residences of employees.

d. Computer Fraud

- 1. When a Limit of Insurance is shown in the Declarations for Business Personal Property at the described premises, that insurance shall apply to loss of or damage to Business Personal Property resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the building at the described premises or banking premises:
 - a. To a person outside those premises; or
 - b. To a place outside those premises.
- 2. Paragraphs **B.2.i**, **B.2.n**, and **B.2.o** of the Businessowners Special Property Coverage Form do not apply to this Coverage Extension.
- 3. The most we will pay under this Coverage Extension in any one occurrence is \$5,000, regardless of the number of premises involved.
- 4. The "System Penetration" exclusion described in Paragraph **1.k** of Section B., Exclusions, of the Businessowners Special Property Coverage Form, does not apply to this Coverage Extension.
- 5. With respect to this Computer Fraud Coverage Extension. We will not pay for loss or damage caused directly or indirectly by any "mass system penetration." Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

e. Emergency Management Coverage

- 1. We will pay the additional expenses you incur as a result of an emergency event occurring at one of your described premises scheduled in the Declarations. An emergency event means one that involves one or more of the following:
 - a. An actual, attempted or threatened felony or act of violence, such as an armed robbery, assault, kidnapping, stalking, or use of a firearm.
 - b. An incident involving an accident, such as a fire or explosion or a construction or workplace accident.
The event or incident must have involved or been witnessed by one or more of your employees, customers or tenants. The costs must have been incurred within 60 days after the occurrence of the emergency event, subject to the applicable Limit of Insurance for this Coverage Extension.
- 2. The following additional expenses will be paid under this Coverage Extension as a result of the emergency event:
 - a. Payment of medical, funeral or counseling expenses for:
 - 1) You, your partners, officers, managers, staff, employees or volunteers (to the extent these expenses are not covered by your Workers Compensation policy).
 - 2) Your patients, residents, visitors or customers.
 - b. Payment of media or public relations expenses to help manage communications regarding the incident to the public, including customers and employees. These communications include:
 - 1) Facts of the incident.
 - 2) Subsequent steps taken for remediation and prevention of future events.





- 3) Plans for re-opening the building or re-starting operations.
3. When the Declarations show that you have coverage for Business Income and Extra Expense, we will also pay your loss of business income resulting from the necessary suspension of your "operations" due to the occurrence of an emergency event at a described premises scheduled in the Declarations. We will pay your loss of business income for up to 60 days after the occurrence of the emergency event, subject to the applicable Limit of Insurance for this Coverage Extension.
4. Under this coverage extension, we will not pay for any emergency management expenses arising out of:
 - (a) Strike, bomb threat or false fire alarm.
 - (b) Planned vacating drill.
 - (c) Medical, funeral or counseling expenses of one or more persons that is due and confined to their individual medical condition.
 - (d) Emergency vacating expenses.
 - (e) Any emergency event precipitated by or involving you, your partners or officers.
 - (f) Earth movement or volcanic action.
 - (g) "Flood."
 - (h) Windstorm or hail.
 - (i) Any expenses associated with any third party liability claim that may arise out of the emergency event or incident.
 - (j) Any of the following to the extent they are already excluded under this policy:
 - 1) Governmental Action.
 - 2) Nuclear Hazard.
 - 3) War and Military Action.

No other exclusions or limitations in your policy apply to this Coverage Extension.

5. Limit of Insurance

The most we will pay in any single emergency event occurrence covered under this Coverage Extension is \$25,000. This limit is an annual limit and is the most we will pay for the total of all losses occurring under this Coverage Extension in any one policy period, no matter the number of losses that are actually subject to the terms of conditions of this Coverage Extension during this period. Any coverage for EXTENDED BUSINESS INCOME provided under the policy does not apply to this Coverage Extension.

f. Emergency Vacating Expenses

1. We will pay the reasonable and necessary expenses you incur in the emergency vacating of premises described in the Declarations.
2. Emergency means:
 - a. Imminent danger arising from an external event; or
 - b. A condition in the facility that would cause loss of life or harm to your customers.
3. We will not pay for any emergency vacating expenses arising out of:
 - a. Strike, bomb threat or false fire alarm, unless the vacating is ordered by a civil authority.
 - b. Planned vacating drill.
 - c. Vacating of one or more customers that is due and confined to their individual medical condition.
 - d. Any of the following to the extent they are already excluded under this policy:
 - 1) Governmental Action.



- 2) Nuclear Hazard.
- 3) War and Military Action.

No other exclusions in your policy apply to this Coverage Extension.

- 4. We will pay no more than \$10,000 for Emergency Vacating Expenses in any one occurrence under this Coverage Extension.
- 5. We will not pay for Emergency Vacating Expenses in any one occurrence until the amount of Emergency Vacating Expenses exceeds \$250. We will then pay the amount of Emergency Vacating Expenses in excess of \$250 up to the limit of Insurance for this Coverage Extension. No other Deductible applies to this Coverage Extension.

g. Ingress / Egress

When the Declarations show that you have coverage for Business Income and Extra Expense, we will also pay for the actual loss of Business Income you sustain and necessary Extra Expense caused when ingress or egress to the described premises is physically prevented due to direct loss or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

This coverage will not begin until 12 hours after the physical loss or damage has occurred. The most we will pay for loss under this Coverage Extension is \$50,000.

h. Limited Building Coverage – Tenant Obligation

- 1. If, at the described premises:
 - a. You are a Tenant; and
 - b. You are contractually obligated to repair or replace that part of a building you occupy as a tenant, and
 - c. A Limit of Insurance is shown in the Declarations for Business Personal Property:

This insurance applies to direct physical loss of or damage to that part of a building you occupy as a tenant caused by or resulting from a Covered Cause of Loss other than theft or attempted theft.
- 2. This Coverage Extension does not apply to any otherwise covered:
 - a. Building glass; or
 - b. Tenants improvements and betterments as described in Paragraph **A.1.b.(3)**, of the Businessowners Special Property Coverage Form.
- 3. The most we will pay under this Coverage Extension in any one occurrence is \$5,000 at each described premises.

i. Franchise Agreement – Property Upgrade Extension Coverage

- 1. In the event of direct physical loss of or damage to the building or business personal property that is Covered Property, at the premises described in the Declarations, caused by or resulting from a Covered Cause of Loss, we will pay for the Increased Cost of Construction, meaning the increased cost to repair, rebuild, replace or reconstruct the property as a consequence of enforcement of the minimum requirements of a "franchise agreement." This increased cost of construction coverage applies only if:
 - a. The building or business personal property are insured for replacement cost;
 - b. The building or business personal property are repaired, rebuilt, replaced or reconstructed; and
 - c. The repaired, rebuilt, replaced or reconstructed building or business personal property are intended for similar occupancy/use as the current Covered Property.
- 2. In addition to the exclusions and limitations already described in this policy, this endorsement does not cover:
 - a. Stock, raw materials, finished goods, merchandise, processing water, molds and dies, property in the open, property of others for which the insured is legally liable, or personal property of employees and officers.





- b. Any loss covered under any other section of this policy.
- c. Any upgrades or improvements required under any existing ordinance or law with which the insured was legally obligated to comply prior to the time of the insured direct physical loss or damage. In addition, coverage provided under this endorsement does not replace nor supplement any applicable Ordinance or Law coverage already on this policy.
- d. Coinsurance does not apply to the coverage provided under this endorsement.
- 3. The most we will pay in any one occurrence under this Coverage Extension for the increased cost incurred with respect to the damaged property to which this Coverage Extension applies is determined by:
 - a. Multiplying 25%; times the amount we would otherwise pay for the direct physical loss of or damage to the building and business personal property, prior to application of any applicable deductible.
 - b. However, the most we will pay for the additional cost incurred in any one occurrence, regardless of the number of described premises involved, is \$100,000.
- 4. The following Definition is added to Section **G. Property Definitions**:
 - 34. **"Franchise Agreement"** means a legally binding written agreement which outlines the franchisor's terms and conditions for the franchisee, and also clearly outlines the obligations of the franchisor and the obligations of the franchisee.
- 5. Payments made under this coverage extension are in addition to the applicable limits of insurance.
- j. **Utility Services – Time Element**
 - 1. When the Declarations show that you have coverage for Business Income and Extra Expense, that insurance shall apply to the loss of Business Income or Extra Expense caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property not on the described premises:
 - a. "Water Supply Services";
 - b. "Communication Supply Services"; or
 - c. "Power Supply Services."

For the coverage provided with this endorsement, "Communication Supply Services" and "Power Supply Services" includes overhead transmission lines.
 - 2. We will pay the actual loss sustained from the initial time of service(s) failure at the described premises but only when the service interruption at the described premises exceeds 24 hours immediately following the direct physical loss or damage. Coverage does not apply to any reduction of income after service has been restored to your premises.

The most we will pay for loss under this Coverage Extension in any one occurrence is \$10,000 at each described premises.

All other terms and conditions of the Policy remain unchanged.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**RECORDING AND DISTRIBUTION OF MATERIAL OR
INFORMATION IN VIOLATION OF LAW EXCLUSION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

- A.** The following exclusion is added to Section **B. EXCLUSIONS** of the Businessowners Liability Coverage Form:

2. Exclusions

This insurance does not apply to:

q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

- B.** The following exclusion is added to Section **B. EXCLUSIONS**, Paragraph **p. Personal And Advertising Injury**:

2. Exclusions

This insurance does not apply to:

(15) Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1)** The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2)** The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3)** The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4)** Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS INCOME AND EXTRA EXPENSE – DEPENDENT PROPERTY

This endorsement modifies insurance provided under the following:

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph A.6. Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Business Income and Extra Expense – Dependent Property

1. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income you sustain and reasonable and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by direct physical loss or damage at the premises of a Dependent Property, caused by or resulting from a Covered Cause of Loss.
2. Dependent Property means property operated by other whom you depend on to:
 - a. Deliver materials or services (other than "water supply services," "communication supply services" or "power supply services") to you, or to others for your account (Contributing Locations);
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to your business (Leader Locations).
3. With respect to this Coverage Extension, the "period of restoration":
 - a. Begins 24 hours after the time of direct physical loss or damage caused by or

resulting from any Covered Cause of Loss at the premises of the Dependent Property;

- b. Ends on the date when the property at the premises of the Dependent Property should be repaired, rebuilt or replaced with reasonable speed and similar quality; and
- c. Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants."
4. This Coverage Extension:
 - a. Applies to Dependent Property premises located within the Coverage Territory; and
 - b. Does not apply when you have more specific insurance under any other policy.
5. We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations" in whole or in part, by using any other available:
 - a. Source of materials; or
 - b. Outlet for your products.
6. The most we will pay for Business Income and Extra Expense under this Coverage Extension is \$10,000, or the limit shown in the Declarations, whichever is higher, regardless of the number of described premises or number of Dependent Properties involved.
7. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BUSINESS INCOME AND EXTRA EXPENSE –
NEWLY ACQUIRED LOCATIONS

This endorsement modifies insurance provided under the following:

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE FORM
 BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

The following coverage is added to your Businessowners Special Property Coverage Form under Paragraph **A.6.** Coverage Extensions.

Unless otherwise stated, payments made under the following Coverage Extension is subject to and not in addition to the applicable Limits of Insurance.

Business Income and Extra Expense – Newly Acquired Premises

1. When the Declarations show that you have coverage for Business Income and Extra Expense, you may extend that insurance to apply to the actual loss of Business Income and necessary Extra Expense you incur due to the "suspension" of your "operations" during the "period of restoration." The "suspension" must be caused by or resulting from a Covered Cause of Loss at any premises you newly acquire by purchase or lease (other than at fairs, trade shows or exhibitions).

2. The most we will pay under this coverage for the sum of Business Income and Extra Expense incurred is \$250,000 at each location.
3. Insurance under this extension for each newly acquired location will end when any of the following first occurs:
 - a. This policy expires;
 - b. 90 days expire after you acquire or begin to construct the property;
 - c. You report the location to us;
 - d. The Business Income or Extra Expense is more specifically insured.

We will charge you additional premium for locations reported from the date you acquire the property.

4. Payments made under this Coverage Extension are in addition to the applicable Limits of Insurance.

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Policy Holder Notice

HOW TO REPORT A CLAIM

Thank you for choosing CNA!

With your CNA Connect® Businessowners Insurance Policy, you have insurance coverage tailored to meet the needs of your business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide resources to help you manage the daily risks of your organization so you may focus on what's most important to you.

Claim Services

Claims are reported through a single point of entry available 24/7, connecting you to individuals and information to help you resume your business when you need it most.

- To report a loss go to www.FNOLCNA.com or send an email to ReportClaim@FNOLCNA.com, or call 833-FNOL-CNA (833-366-5262)
- To request loss runs send an email to fsmail@cnacentral.com
- For additional questions call CNA Customer Service at (877)-574-0540, or contact your independent CNA Insurance Agent.

Policy Information

CNA representatives may ask you for some of the following information:

Insured Name:

I2i Optique
8300 E HAYDEN RD #B-112
SCOTTSDALE, AZ 85258

Producer Information:

NEATE DUPEY INSURANCE GROUP LLC
STE 204
7400 E PINNACLE PEAK RD
SCOTTSDALE, AZ 85255

Policy Number:

6025313905

Producer Processing Code:

094353

Policy Period:

08/31/2019 to 08/31/2020

New Business

CNA Branch:

PHOENIX BRANCH
4150 N DRINKWATER BLVD S-105
SCOTTSDALE, AZ 85251

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151 N. Franklin St.
Chicago, IL 60606

Policy Number	From	Policy Period	To	Coverage Is Provided By	Agency
B6025313905	08/31/19	08/31/20		Valley Forge Insurance Company	094353560
Named Insured And Address				Agent	
I2i Optique 8300 E HAYDEN RD #B-112 SCOTTSDALE, AZ 85258				NEATE DUPEY INSURANCE GROUP LLC STE 204 7400 E PINNACLE PEAK RD SCOTTSDALE, AZ 85255	

** PAYMENT PLAN SCHEDULE **

THE BILLING FOR THIS POLICY WILL BE
FORWARDED TO YOU DIRECTLY FROM CNA.

THE PREMIUM AMOUNT FOR THIS TRANSACTION
IS \$787.00 .

THIS PREMIUM WILL BE INVOICED BY CNA ON
A SEPARATE STATEMENT ACCORDING TO THE
PAYMENT OPTION YOU SELECT.

ISSUE DATE 08/09/19



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